

G.L. B.T. 12

DEPARTMENT OF OVERSEAS TRADE.

Report
ON THE
Economic and Financial
Situation
OF
EGYPT

Dated May, 1928,

BY

E. HOMAN MULOCK,

Commercial Secretary, The Residency, Cairo.



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DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following Services of Commercial Intelligence Officers :—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 13 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two in South Africa (Johannesburg, Cape Town); two in Australia (Melbourne, Sydney); two in India (Calcutta and Bombay—to cover also Ceylon); and one each in New Zealand (Wellington), British East Africa (Nairobi), and British West Indies (Trinidad).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners, there are correspondents with whom the Department deals direct.

2. IN FOREIGN COUNTRIES.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

This service consists of between thirty and forty posts in all, and the officers of the service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area, and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

The Department is represented in Egypt by Mr. E. Homan Mulock, Commercial Secretary, The Residency, Cairo.

(b) The British Consular Service.

Particular attention has been given to the commercial side of consular work since the re-organization of the service.

In certain countries where no Commercial Diplomatic Officer is stationed the senior Consular Officer undertakes duties of a similar character.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects the views of the Department.

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COMMERCIAL SUMMARY.

Area.—About 1,000,000 sq. kilometres, of which some 32,000 sq. kilometres are cultivable.

Population.—1927 census, 14,168,756; including about 150,000 Europeans.

Language.—Arabic. English, French, Greek and Italian are also in common use in commercial circles. Catalogues for reference by Egyptian merchants should be in Arabic and English.

Money.—£E. (Egyptian pound)=P.T. (piastres tariff) 100=1,000 mil-liemes=£1 0s. 6½d. A dollar=a tallari=P.T.20=4s. 1½d.

Rate of Exchange.—Average 97 $\frac{5}{16}$ piastres to the £ stg. during 1927.

Index Numbers.—Index number of average cost of living during 1927 for native clerks, artisans and labourers (earning £E. $\frac{5}{8}$ per month) over the whole of Egypt, 152.

Principal Weights and Measures.—

- (a) 1 cantar=100 rotls=99·0493 lbs.
1 rotl=144 dirhems=0·9905 lbs.
1 oke=400 dirhems=2·75137 lbs.
1 heml=200 okes=550·274 lbs.
- (b) 1 ardeb=96 kadahs=43·455 gallons or 5·444 bushels.
1 keila=8 kadahs=3·63 gallons.
1 rob=4 kadahs=1·815 gallons.
1 kadah=1/96 ardeb=3·630 pints.
1 feddan=24 kirats=5024·16 sq. yds. or 1·038 acres.
- (a) 1 cantar of unginned cotton=315 lbs.
1 cantar of ginned cotton=100 lbs.
- (b) Approximate weight of an ardeb of various seeds:—Wheat 150 kilos.
Barley 120 kilos. Beans 155 kilos. Maize 140 kilos. Lentils
(whole) 157 kilos. Lentils (split) 132 kilos.

Note (i)—

- 1 bale of steam-pressed cotton=7·75 cantars.
- 1 bale of hydraulically pressed cotton=8·50 cantars.
- 1 ardeb of cotton seed=267 lbs.
- 8 " " " =1 ton.
- 3 bales of steam-pressed cotton=1 ton 85 lbs.

Note (ii)—

In Egypt liquids are often bought and sold by weight and there are no specific Arabic liquid measures.

Total imports for 1927—£E.48,658,128.

Principal Imports.—Cotton piece goods £E.6,982,000, metals and metalware £E.7,314,000, wheat flour £E.2,357,000, petroleum products £E.2,328,000, coal £E.2,072,000, manures £E.1,895,000, timber £E.1,469,000, silk yarn and textiles £E.1,382,000, tobacco (leaf) £E.1,169,000, woollen yarn and textiles £E.1,123,000, motor vehicles £E.948,000, paper and printed matter £E.942,000, sugar (refined) £E.823,000, coffee £E.786,000, sacks (empty) £E.659,000, cotton hosiery £E.559,000, cement £E.472,000, soap (toilet) £E.42,000, soap (household) £E.465,000, tea £E.434,000, artificial silk yarn and textiles £E.361,000, cheese £E.313,000, rice £E.209,000, woollen hosiery £E.160,000.

Imports from—

United Kingdom.—Cotton piece goods, coal, iron and steel goods, machinery, woollens, soap, railway trucks and wagons, motors.
Total £E.12,482,287.

France.—Woollens, motors, furniture, medicines, and perfumery, silks and artificial silks, machinery. Total £E.5,337,182.

Italy.—Cotton piece goods, motors, silk and artificial silk textiles, woollens, cotton hosiery. Total £E.4,238,276.

Germany.—Paper, cotton, hosiery, iron and steel goods, coal, copper and brass sheets. Total £E.3,060,342.

U.S.A.—Flour, motors, oils, coal. Total £E.2,274,523.

Belgium.—Cement, glass and glassware, cotton piece goods, iron and steel goods.—£E.2,058,188.

Principal Exports.—Raw cotton £E.38,999,000, cotton-seed £E.3,162,000, cotton-seed cake £E.560,000, cotton seed oil £E.525,000, onions £E.863,000, rice £E.518,000, hides, skins and leather £E.400,000, cigarettes £E.382,000, petroleum products £E.314,000, eggs £E.243,000, phosphate £E.229,000, wool (raw) £E.102,000.

Exports to—

United Kingdom.—Raw cotton, cotton-seed, cotton-seed cake, cotton-seed oil, onions, eggs. Total £E.19,138,089.

U.S.A.—Cotton, onions, raw wool. Total £E.6,799,598.

France.—Cotton, benzine, eggs, onions, wool. Total £E.4,903,365.

Germany.—Cotton, cotton-seed, onions, metallic ores. Total £E.3,139,386.

Italy.—Cotton, onions, skins, phosphate, metallic ores. Total £E.2,702,400.

Japan.—Cotton and phosphate.

Spain.—Cotton and eggs.

Holland.—Cotton and metallic ores.

Czechoslovakia.—Cotton.

Switzerland.—Cotton.

Railway mileage.—1,609 miles (excluding auxiliary lines).

Mercantile marine.—Steamships 38, sailing ships 227.

REPORT
ON THE
ECONOMIC AND FINANCIAL SITUATION
OF
EGYPT.

Dated May, 1928.

I. ECONOMIC REVIEW.

Trade Balance.—If important factors such as the country's trade balance at the end of 1927, the condition of State finances at the end of the financial year ending April 30th, 1928, and the improved budgetary expectations for the coming financial year, can be taken as criteria of the present economic and financial situation of Egypt, the guarded optimism which characterised the estimate of the economic situation in the annual report dated May, 1927, has been justified.

In the first place the adverse trade balance of 1926, amounting to £E.9,270,979, has been converted into a favourable trade balance of £E.1,025,026, thereby constituting a total recovery of £E.10,296,005.

Details of the trade balance for each of the years 1922-27 inclusive are given in Appendix I, from which it will appear that 1926 is the only year in which it was adverse. In 1927 the favourable trade balance was brought about partly by a decrease in imports, but chiefly by an increase in exports in excess of this, thanks to the rise in cotton prices in 1927.

Purchasing Power.—This decrease in imports is attributed in certain quarters to the decline in the purchasing power of the country resulting from the fall in cotton prices during recent years. It will, however, be shown that the whole of the decrease in imports can be accounted for by other factors, and that an obstacle in the way of large increases in imports lies in the diversion of much of the public fortune into other channels and its unequal distribution.

The potential demand of the country has greatly increased, thanks to the accumulation of wealth resulting from the favourable trade balances of the last six years, from financial, commercial and industrial enterprise, from speculation in cotton and in the debentures and shares of companies affected by "gold franc" judgments in the mixed courts, from investments in land, building and local stocks and shares, and from profitable transactions in, and exploitation of, agricultural land, and house property. A large proportion of the wealth is, however, in the hands of a minority, consisting to a large extent of the landed and leisured classes, whose capacity for extensive investments in local gilt-edged

securities, and for utilising their wealth in other ways which circumscribe the circulation of money in this country, restricts the flow of trade. This state of things is further aggravated by the high cost of living resulting from the maintenance of excessive prices in general, and the exorbitant rents demanded by so many owners of house property for living accommodation and business premises. It is true that the landlords in question receive every encouragement to demand high rents from the competition among remunerative tenants such as motor and other traders for commodious and centrally situated showrooms; merchants from the Mousky whose increasing prosperity has reacted on their standard of living, and encouraged them to transfer their residences to the European quarter; and prosperous immigrants from the provinces attracted by the higher standard of comfort available in Cairo and Alexandria. One of the immediate effects of this is that the overhead charges in business are, as a rule, excessive; and, in consequence, many imported goods have to be priced so high in order to ensure a profit, that they are more or less beyond the means of the rank and file with fixed salaries or wages.

High prices in general, accompanied by excessive rents for agricultural land and for business and living accommodation, affect the economic condition of the country far more than low (or more strictly speaking "normal") cotton prices. Extravagant prices for cotton mean extravagant prices for everything; the consequence is that, when "normal" is submitted for "extravagant" in the case of cotton prices, and an adverse trade balance results, as in 1926, the situation is generally, but erroneously, described as an economic crisis.

The economic condition of the fellaheen is, for obvious reasons, intimately connected with cotton prices which, in the case of the tenant class, and of the very small holders who rent land in order to eke out the proceeds of their own, must always be considered in conjunction with agricultural rents in order to determine whether such prices are remunerative or not. The price at which cotton was sold during 1927 was on an average \$8 to \$10 higher than in 1926. Rents were generally acknowledged as exorbitant in 1926; but the rent for 1926-27, being based in the case of one year leases on cotton prices at the close of the previous season, was so far from being excessive, that the rise in cotton values to \$40 and \$42 compensated the tenant for the reduction by law of the cotton area cultivated by him.

Three external factors account for the favourable results in Egypt last year, viz., the Mississippi floods in April, the timely rise in the Nile during the summer, and the comparative briskness of trade in the Egyptian section of the Lancashire spinning industry.

Commercial Situation.—In the case of the fellaheen the benefit derived from these increases in cotton values is reflected

partly in the Agricultural Bank returns and partly in the increase of imports of cotton piece-goods of nearly £E.1 million, towards which Manchester goods, in spite of being higher priced than those of Continental and Japanese manufacture, have contributed £E.375,000. As regards the Agricultural Bank the arrears of payments on mortgages carried forward to their financial year 1928-29 totalled only £E.92,000 as compared with £E.206,000 twelve months previously; while £E.335,000 was paid up during 1927-28 out of £E.427,000 as against £E.251,000 out of £E.457,000 due in 1926-27. It is difficult to reconcile these two factors with the financial straits attributed to the fellaheen by those who use this and other arguments in support of their contention that Egypt is still in the stranglehold of all-embracing commercial lethargy that is already of long standing. The other arguments adduced in proof of this are the diminution in the purchasing power of the country resulting from the downward tendency of cotton prices during recent years, the consequent crisis in the import trade as instanced by the decrease in imports in 1927, the absence of trade profits, the curtailment and, in some instances the withdrawal, of credit, and finally the increased number of bankruptcies. It is hoped that the following remarks will show that none of these arguments is particularly convincing.

Although it must be admitted that the full significance of the rise in cotton prices in 1927 was not felt in that year, the upward tendency of imports from July to December, 1927, which marked the close of the aftermath of the economic depression of 1926, and the monthly increase in imports during the first three months of 1928 (for which period the total is well over £E.1,250,000 higher than in 1927) are not features that one usually associates with "a crisis in the import trade." (It may be of interest to note in parentheses that a similar margin of increase characterises the exports for the same period, and that there was a favourable trade balance on 31st March, 1928, of £E.1,677,000.)

The immediate cause to which this so-called crisis is attributed has already been disposed of in the remarks on the alleged decline in purchasing power of the country; as for its immediate effect, viz., the decrease in imports in 1927, the introductory remarks on imports in Part II will show that this decrease is more apparent than real, and that it can be attributed to other factors which are not symptomatic of trade stagnation.

The absence of trade profits can be explained generally as the outcome of the fact that there are so many more wholesalers and retailers competing for a share of the import trade than before and, in particular instances, of the realisation by certain traders who suffer acutely from the excessive overhead charges already mentioned, that their only chance of selling any goods is to cut most of their profits.

As for the curtailment, and in some cases the withdrawal of credit, which is described as the reaction from the abuse of this facility by banks, capitalists and manufacturers anxious either to secure or extend a foothold in the Egyptian market, it is all to the good if the reign of extravagant credits has come to an end and trade can be guided back into the hands of those to whom credit can safely be given.

The increase in the number of bankruptcies in 1927 is not necessarily an indication of trade stagnation or even commercial depression. It is well known that certain traders make use of this process as a form of speculation and an easy way out of their financial obligations. The number of bankruptcies and arrangements with creditors increases yearly, regardless of the economic or commercial condition of the country, so that a comparison of their totals in any two successive years is useless for the purpose of analysing the commercial situation.

Budget Receipts, 1928-29.—Those who are not convinced by the foregoing attempt to dispel their gloomy view of the economic and commercial situation should take heart of grace from the fact that it is not shared by the authorities responsible for the framing of the draft budget for the financial year beginning on May 1st, 1928. The improvement in the economic situation which characterised the first seven months of the expiring financial year, viz., May to November, 1927, had the effect of producing revenue in excess of budgetary expectations. This factor has made it possible to increase estimated budgetary receipts for 1928-29 by £E.1,255,000, and it should be noted that this increase particularly applies to the principal heads of revenue which are subject to fluctuations, viz., customs, railways and fees on transfer of property. In the case of customs receipts it is estimated that imports and exports of merchandise for the financial year 1928-29 will balance at £E.45 millions, whereas in framing the budgetary estimates for 1927-28 imports had been valued at £E.41 millions and exports at £E.36 millions.

The reduction in the estimated revenue from tobacco dues is based on the fact that the inducement to cigarette manufacturers (which took the form of discrimination in the matter of import duty against leaf from China and Japan) to import more tobacco of better quality from other countries did not have the effect of increasing imports from the latter on a scale sufficient to offset the diminution in imports from the two sources specified during the first seven months of the financial year 1927-28.

With regard to excise duties the steady decline from 1923 onwards of revenue from alcohol is attributed to illicit distillation on an ever-widening scale of proprietary brands of whisky, cognac, liqueurs, &c., aided by firms in Europe who supply false labels,

branded corks and cork-brands, capsules, &c. Estimated receipts from these various dues are as follows :—

				1927-28	1928-29
				£E.	£E.
Import duties	...	...	...	3,484,000	3,730,000
Export	„	...	...	355,000	425,000
Quay dues	...	...	...	652,000	755,500
Miscellaneous receipts	...	...	...	190,000	191,500
Tobacco dues...	...	...	...	6,100,000	5,800,000
Excise	„	...	...	222,000	180,000
				<hr/> 11,003,000	<hr/> 11,082,000

Although the net increase is only £E.79,000, the foregoing figures show that imports and exports and quay dues thereon are expected to produce £E.419,000 more than in 1927-28.

Revenue from the *Railways* is estimated at £E.6,850,000, i.e. £E.250,000 more than in 1927-28, being the difference between an anticipated decrease from passenger fares of £E.100,000 and an increase in goods traffic of £E.350,000.

Another important heading which is expected to produce increased revenue consists of the interest from State funds and the share of the Government in the profit from the note issue.

The principal item under this heading is the interest from investment of the reserve fund, of which the greater part is now put to this use instead of lying comparatively idle in banks. In conformity with this policy £8,000,000 worth of three months British Treasury bills carrying 4½ per cent. were bought in the summer of 1927, as well as considerable quantities of unified and privileged debt scrip, with the result that nearly two-thirds of the reserve fund (which on April 30th, 1927, stood at £E.33,787,370) had been invested by the end of December of that year.

The proportion of the Egyptian Government in the profit from the note issue has increased as the result of a new agreement concluded with the National Bank of Egypt to run for five years from 1st January, 1927. Revenue under this head has been based on an estimated average circulation of £E.28 millions; during the year 1927 it ranged from £E.23,504,364 (in July) to £E.31,142,764 (in October).

Another of the forms of revenue which is a guide to the economic situation consists of conveyancing fees. In 1925-26 they totalled £E.753,000, but fell to £E.514,000 in 1926-27, and remained at that level until September, 1927, when, as a result of the improvement in the economic situation created by the rise in cotton prices, they rose steadily to a monthly average which, if maintained, should produce a total of £E.600,000 for 1927-28.

Budgetary Expenditure.—Estimated expenditure on new works for 1928-29 totals £E.7,915,000, which exceeds that for 1927-28 by £E.1,591,000, the increase being chiefly accounted for by larger credits for irrigation, State buildings and the ports and lights administration.

Credits for new works which are of particular interest to British trade and industry are as follows :—

MUNICIPALITIES AND LOCAL COMMISSIONS.—£E.193,200 is lent to them for water and lighting installations, of which £E.104,200 is for the commencement of new works and the continuation of work already begun.

MINISTRY OF PUBLIC WORKS.—(a) *Irrigation.*—Of the grand total of £E.2,949,000 the Nag Hamadi barrage accounts for £E.1,038,000, and other big projects, including pumping stations for which contracts have recently been awarded, for £E.910,000.

(b) *State Buildings.*—Of the total credit of £E.875,000 the greater part is for work already begun, but two items of interest are £E.28,000 for the staff who have to prepare the plans and estimates for the projected new hospital at Kasr-el-Aini, Cairo, the new school of medicine and the new premises of the Egyptian University, and £E.70,000 towards the construction of the last-named. The first two of these projects will in due course call for technical equipment on a considerable scale.

(c) *Mechanical Department.*—New works only total £E.37,450, of which £E.26,500 will go towards the cost of replacing the engines which drive the Mex pumping station by internal combustion engines and the substitution of pumps of a new type for the existing ones; while £E.4,000 is for changing the Amria pumps, £E.1,950 for the purchase of machine tools for the arsenal workshops, and £E.5,000 for the special bureau entrusted with the investigation of the utilisation for the fixation of atmospheric nitrogen of the water power generated by the Assuan Dam.

An interesting item in this department's salaries and wages bill is the creation of 22 posts for Egyptian engineers who are to be delegated to the factories in Europe where the plant for various pumping stations will be constructed by the firms to whom the respective contracts were awarded, viz., El Seru, Belcas, El Atf, Abu el Menaga, Esna, &c. These delegates will watch the process of manufacture and see the pumps erected.

MINISTRY OF COMMUNICATIONS.—(a) *Mechanical Transport Department.*—£E.11,180 is allotted for the purchase of 19 motor cars for the Public Health Department, 3 for the Post Office, 2 for the Prisons Department, 2 for the Mines Department, 1 motor lorry for the Government Press and 4 motor cycles for the Ministry of Agriculture.

(b) *Aviation Service.*—£E.101,635 for the continuation of work already approved in the 1927-28 budget in connection with

the aerodromes at Cairo and Dekhela, and £E.11,700 for the purchase of machinery, for technical work at the Cairo Air Station and for investigation in connection with that at Alexandria.

(c) *Railways*.—Of the total of £E.1,381,900 for “ new works ” £E.126,500 is for yearly recurring work, £E.252,000 for renewals, £E.820,800 for work already begun, of which £E.502,000 for new railway lines, £E.52,500 for work to be completed within the year, and £E.50,100 for work requiring longer.

The former of the last two items includes the purchase of 17 steam rail coaches in addition to the six sanctioned in the 1927-28 budget and of machine tools for the workshops.

The other item includes the creation of an electric generating station at Minieh and the electrification of the Helouan line (for which £E.20,000 on account of an estimated final total of £E.300,000 is included hereunder).

(d) *Telegraphs and Telephones* receive £E.19,100 and £E.183,900 respectively. The telegraph credit includes £E.5,000 for a wireless station in Cairo to connect with Kosseir, £E.2,800 for a land telegraph line between Assiut and Assuan, and £E.2,000 for a transmitter of continuous and intermittent waves for the Alexandria wireless station, used for communicating with ships.

Of the share of the telephone administration £E.87,000 is for annual orders, such as instruments for private subscribers and Government departments, and for work on the new subterranean lines in Cairo and between Alexandria and the provinces, while £E.56,200 is for work already begun. Although the subterranean trunk line between Cairo and Alexandria, whose construction at an eventual cost of £E.250,000 was approved in the 1927-28 budget, comes under this category, there is no provision for this particular undertaking in 1928-29 because the administration does not expect to have to invite tenders yet for any of the necessary material, for which £E.200,000 of the above sum will be required.

A new building to house both administrations at Alexandria is projected; also a new telephone exchange at Heliopolis, and the introduction of automatic telephones at Alexandria and in one of the manual exchanges in Cairo.

(e) *Ports and Lights*.—£E.100,000 is allotted towards the construction of the proposed new petroleum basin and nitrates quay for Alexandria harbour which, although already approved in principle, has been held up owing to divergencies of opinion as to which is the most suitable and practicable of the alternative plans submitted.

The credits for those of the new works mentioned above which have necessitated (and as will presently appear justified) an excess of expenditure over receipts are as follows :—

	£E.
Railways	1,381,900
Telegraphs and telephones ...	203,000
Ports and lights	332,000
Big irrigation projects	1,948,000
Loans to municipalities	331,000
Total	<u>4,195,900</u>

Budgets for 1927-28 and 1928-29 compared.—By having recourse to the reserve fund for all but £E.195,900 of this sum the draft budget for 1928-29 balances at £E.41,532,000, and compares with the estimates for 1927-28 as follows:—

	1927-28	1928-29	Increase
	£E.	£E.	£E.
Expenditure	38,919,000	41,532,000	2,613,000
Receipts	36,277,000	37,532,000	1,255,000
Draft on reserve fund	2,642,000	4,000,000	1,358,000

Surplus 1927-28.—The estimated deficit in 1927-28 has, however, been converted into a net surplus estimated at about £E.3 millions, which will raise the reserve fund on 30th April, 1928, to £E.36,787,000.

Drafts on Reserve Fund.—In each of the two financial years dealt with in the above table the drafts on the reserve fund have been based on the principle adopted by Parliament when the budget for 1927-28 was under discussion, viz., that money must only be borrowed (for budget balancing purposes) to meet the cost of productive undertakings, i.e. capable of producing revenue sufficient to cover the interest on the capital engaged, plus the cost of administration. Instead of having to raise loans, or increase taxation for this purpose, Egypt can safely draw on her reserve fund because recourse to this method constitutes a safe investment when it is used to pay for remunerative undertakings of this nature. The author of the note on the draft budget for 1928-29 goes a step further and urges that drafts on the reserve fund are also justifiable to meet the cost of undertakings which are indirectly productive, in that, without being directly remunerative, they pave the way for increased revenue. To this category belong railway development, other than new lines, telegraph and telephone extensions, and such as those dealt with above, leaving new railway lines, the big irrigation projects, and the loans to municipalities for installing light, water supply and drains, to make up the category of directly productive undertakings contemplated in 1928-29. It must, however, be borne in mind that the draft budget is still under discussion by Parliament, so that, by

the time these lines are in print, radical modifications may have taken place in some of the credits asked for, as the result of divergencies of opinion among the Deputies as to their own and budgetary interpretation of the fundamental principles on which the policy of the Egyptian Government in the domain of economics and finance is based. There principles are (a) to increase the State revenues, (b) to safeguard and develop the national fortune, (c) to reduce public expenditure.

ECONOMIC AND FINANCIAL POLICY OF THE EGYPTIAN GOVERNMENT.

Although the increase of revenue is as a general rule closely bound up with the development of the national fortune, it will be seen from the following remarks that there are methods open to the Egyptian Government of bringing grist to the State's mill which are independent of any increase in the country's wealth or resources.

Subject to these exceptions the steps taken or contemplated by the Egyptian Government during the period under review in pursuance of their economic and financial policy are in most cases of such a nature that revenue will directly or indirectly be assisted as the result of their effect on the national fortune.

Consultation of Experts.—The services of European experts have been engaged in connection with the following subjects:—Assuan dam, fisheries, inland navigation, local industries, locusts, petroleum, railway electrification, roads, tariff revision and taxation. With the exception of the last two these subjects are all dealt with elsewhere and later in this report.

Customs Tariff Revision.—The broad lines on which the revision of the Egyptian customs tariff and régime as from 16th February, 1930, is at present being elaborated by the International Commission of three (viz., a Canadian, a French and an Italian) tariff experts appointed by the Egyptian Government are explained in the following notice published in the Journal Officiel of 2nd January, 1928, viz.:—

A special Bureau has been formed in the Ministry of Finance with the object of determining to what extent home production and industry can be fostered or protected by changes to be made in the present customs régime, due consideration being given to the financial needs of the State and to the protection of the interest of the consumer.

One of the most important tasks facing the experts appointed for this work is the modification of the present *ad valorem* duties on imports and their eventual replacement by a system of specific duties.

Manufacturers, producers, and in general all parties interested in any respect in the redrafting of the customs tariff are requested to forward their claims to the Ministry together with all documents and data which may be presented as evidence that these are justified, in order that each and every case may be carefully investigated and reported upon by the Branch concerned.

These requests should be addressed to H.E. the Under Secretary of State, Ministry of Finance, and should be headed " Customs Tariff Bureau."

The Tariff Experts will be glad to receive any complementary information which petitioners may find it desirable to communicate to them verbally at the Ministry of Finance, following a written demand for an appointment.

To complete the foregoing it should be added that the classification of goods in the new tariff will be based on the unified customs nomenclature in course of preparation at Geneva under the auspices of the League of Nations. The attention of those who are not aware of the customs and excise dues at present in force in Egypt is drawn to Appendix XV in the Annual Report dated June, 1925, in which they are stated in full, and to the subsequent modifications recorded in Appendix XII in that dated June, 1926, and Appendix XI in that dated May, 1927. It cannot be too strongly urged that all British firms and merchants who are interested in trade with Egypt should take immediate steps, either individually or under the auspices of any representative body to which they may belong, to avail themselves of the above invitation. In this connection the British Chamber of Commerce of Egypt have offered to represent the views and claims of their overseas members to the tariff experts.

Trade and Industry.—The advantages that will accrue to local industries from the revision of the customs tariff are still comparatively remote in point of time. So far, however, as the present and immediate future are concerned it will be seen that, except where otherwise specified, the object of the legislative and administrative measures of the Egyptian Government such as commercial legislation, the reorganisation of the Bureau of Commerce and Industry, the engagement of experts, &c., which are dealt with in this part of the report, and under the headings " Promotion of Trade and Industry " and " Transport and Communications," is the encouragement of trade, industry, agriculture or finance (as the case may be) at large.

The three measures cited hereunder have not been included under those headings because they would appear to indicate an orientation in the economic policy of the Egyptian Government in the direction of encouraging purely Egyptian participation in the national fortune, viz. :—

(a) *Co-operative Societies.*—In September, 1927, a law was passed governing the formation and functions of co-operative societies, whose membership is purely Egyptian, by which they are granted various financial privileges, such as exemption from specified kinds of judicial and administrative charges and from the obligation to deposit caution money when tendering for Government or municipal contracts, and a 25 per cent. reduction on railway freight rates on the transport of imported machinery

or material. Most of these bodies are, or will be agricultural co-operative societies, and the object of the law in their case is to establish a system of agricultural credit for the fellaheen, which will be further assisted by Government loans through the medium of the Banque Misr, to which a sum of £E.250,000 is to be entrusted for this purpose.

(b) *Sales of Cotton "on Call."*—The interests of the fellaheen were also the primary consideration in the mind of the Egyptian Government when their draft law prohibiting forward sales of cotton was under discussion during 1927. Although it would not apply to sales between exporters and spinners, the radical change that it would bring about in the system of financing the fellaheen has exposed it to adverse criticism on the part of representative bodies in Alexandria. It has not yet become law, but the banks came to an agreement towards the end of 1927 not to sell cotton "on call" after 1st January, 1928.

(c) *Sociétés Anonymes.*—The following additional regulations were introduced administratively on 31st May, 1927, governing the formation after that date of Egyptian Sociétés Anonymes, or limited liability companies (financed, in most cases, almost entirely by European capital):—

- (i) The Board of Directors must include at least two Egyptians.
- (ii) One-quarter of the staff, besides the workmen, must be Egyptian.
- (iii) At least one-quarter of the shares and debentures issued must be at the disposal of the public in Egypt, and of this quarter four-fifths must be exclusively reserved for Egyptians. If this quarter is not subscribed for before closure of the issue, the Council of Ministers can either postpone the date of closure for three months, or waive their right to do so.
- (iv) The shares, etc., for which public subscription is invited must be quoted on the Stock Exchange within a year of their issue.
- (v) The annual balance sheet, etc., must be published in full in one European and one vernacular newspaper fifteen days before the date of the annual general meeting.

The first three of these regulations have met with considerable opposition on the part of the European Chambers of Commerce, and it is to be hoped, in the interests of all parties, that their representations in favour of the promulgation of an up-to-date and comprehensive company law will have the desired result.

Education.—Pending the introduction of the desired company law the policy of the Egyptian Government in increasing facilities for commercial education and technical training should help to mitigate the difficulty of complying with the second of the above quoted regulations. The draft budget for 1928-29 proposes credits for the creation of three industrial schools, an intermediate school for commercial and accountancy training, two evening courses for commercial instruction, ten for workmen and two secondary sections for foremen.

Public Health.—Technical training of a kind that will benefit all classes of the community is closely bound up with the Government project for the construction in Cairo of a large block of buildings which are to house an extensive new hospital and the Faculty of Medicine, comprising the affiliated schools of medicine, pharmacy, dental surgery, nursing and midwifery. A firm of eminent British architects has been engaged to draw up the plans and estimates, and it is hoped that the preparatory work will be so far advanced by the end of 1928 that it will be possible for His Majesty the King to lay the foundation stone between the entrance gates on 22nd December, the closing day of the celebration of the centenary of the Egyptian Faculty of Medicine.

Increase of Revenue.—As these facilities are for Egyptians only, and are primarily designed for the direct and ultimate benefit of the poorer classes, they cannot fail in time to have a beneficent effect on the productivity of the fellaheen which will, in turn, intensify their own or their employers' capacity to increase the revenues of the State.

It is not, however, with methods of increasing revenue that are inseparable from any development of the country's agricultural or industrial resources that the present sub-heading deals.

Reserve Fund.—Reference has already been made to the increased revenue derived from the new agreement with the National Bank of Egypt on the subject of the profits from the bank note issue, and from the investment of the reserve fund on a much wider scale than heretofore. To this should be added the increased interest resulting from the transfer of £E.6 millions of this fund from the current account at the National Bank to a deposit account bringing in 4 per cent.

Royalties.—The question of revenue from concessionary companies has also occupied the attention of the Egyptian Government, and a special office has been created in the Ministry of Finance with the object of ensuring the payment of royalties when they fall due and the strict observance of the terms of their concessions.

Taxation.—Since the end of September, 1927, a British expert has been studying and elaborating new sources of taxation, which have not yet been divulged. Further, the draft law for taxation of motor vehicles which was referred to on page 42 of the Annual Report dated May, 1927, is still under consideration.

Government Trading.—*Petroleum Refinery.*—It is open to doubt whether the operations of the Government petroleum refinery at Suez result in a net increase of revenue, even though the refinery receives the raw material (in the form of royalty based on 5 per cent. of the total annual production of crude oil by the Anglo-Egyptian Oilfields, Limited), for nothing beyond the cost of transport. Expenditure—including cost of refining and the

charges for interest and depreciation on the original cost of the refinery, viz., £E.230,000—is so high that a net profit on sales of the resultant products to Government departments is only possible if they are charged prices greatly in excess of world prices.

The other commercial ventures in which the Egyptian Government have at various times embarked, since their first intervention in the cotton market in 1921, have been undertaken with the object of helping agriculture, and any profit to the Government that has resulted therefrom has been fortuitous.

Chemical Manures.—No profit is possible from their sales of these commodities because the *raison d'être* of their participation in this trade is to ensure that cultivators obtain reliable material at cost price.

Transactions in Cotton.—So long as Government purchases of cotton were limited to quantities that they could ultimately dispose of without undue disturbance of the market, they were able to make a profit by selling their stocks when prices had risen to a remunerative level. In 1926, however, their purchases were so extensive and so costly that the dead loss on depreciation, added to cumulative expenditure on storage and insurance consequent upon the long-drawn-out process of disposing of their present stock of some 384,000 cantars (about 50,000 bales) in dribbles whenever favourable opportunities occur, would probably swallow up any profit that might result from such sales.

Sales of Cotton to Russia.—It is not, therefore, to be wondered at that the Egyptian Government in their anxiety not to lose the opportunity offered them in the summer of 1927 by the Textil-Import Co., of Moscow, of disposing of what promised, at the outset, to be a considerable proportion of their stock (of 479,630 cantars on 30th June, 1927), acceded to every demand for special facilities for negotiation and fulfilment of this transaction. So far, however, the amount so disposed of has totalled only 12,300 bales (or 95,325 cantars) of which shipments, at the rate of 2,000 bales a month, began in December, 1927.

Loans on Cotton.—Another stroke of luck attended them during 1927 in the form of an unexpected profit on the sale of cotton left on their hands by borrowers under the scheme of advances by the Government which was described on page 10 of the Annual Report dated May, 1927. This operation was so successful that the proceeds from the sale of the bulk of this stock considerably exceeded the total not only of the money advanced thereon, but also of the interest due and all other charges.

Clothing Factory.—The Government now contemplate adding to the foregoing list of commercial and industrial activities a factory of their own for the manufacture from locally woven material of uniforms and underclothing, and possibly also of boots,

for the army, police and gaffirs, thereby economising on the cost of imported material and finished products.

GENERAL FINANCE.

Banking.—The Egyptian Bank Misr, Cairo, issued a further 70,000 shares at £E.6 each, which is a premium of £E.2 each. The issue was fully subscribed and closed on 26th December, 1927. The premium of £E.2 per share was placed to reserve. As from 1st January, 1928, the capital of the bank was £E.1,000,000 fully paid. The capital invested by this bank in its various industrial enterprises is £E.231,510.

Gold Franc Judgments.—With reference to the question as to whether companies of foreign origin should pay their debenture holders in Egypt in francs at the rate of P.t.3·8575 to the franc (gold basis) or at the current rate of exchange, the various Chambers of the Mixed Courts have, during the past 18 months, given a series of apparently contradictory judgments regarding their competency to deal with such cases. It was therefore decided to refer the question to a united assembly of the Mixed Courts to pronounce definitely whether foreign companies having their head offices abroad, but their managing offices in Egypt, and having in this country their exclusive or main field of activity, could be sued before the Mixed Courts for payment in gold francs of interest and principal of debentures issued by them in Europe:—(i) In cases where neither the debentures nor the coupons indicated a place of payment; (ii) in cases where on the coupons Egypt is indicated as a place of payment. On March 6th, 1928, the United Court gave its decision that the Mixed Courts were competent to hear such cases.

The first case to be judged under this decision was the Caisse Hypothécaire d’Egypte, the Second Chamber of the Appeal Court of Alexandria giving a decision in favour of the debenture holders on April 12th, 1928.

In the case of the Land Bank of Egypt, the Court of Appeal on 29th December, 1927, confirmed the judgment of the Court of First Instance of May 3rd, 1927, with costs, that the service of the 4 per cent. debentures was payable in francs calculated at the rate of exchange on Paris, as it was on this basis that the bonds were issued, the previous issue of 3½ per cent. bonds on a gold basis having proved unsuccessful.

Stocks and Shares.—The tone of the market has been buoyant throughout the twelve months ending April, 1928. Comparative quotations of the principal stocks and shares are given in Appendix II.

II. TRADE.

IMPORTS.

Causes of Decline.—The total value of imports into Egypt in 1927, amounting to £E.48,685,128, is lower than that for 1926 by £E.3,714,931, but as £E.491,860 of this is due to a decrease in tobacco, the net decline in the value of merchandise imported, with which the following remarks deal, amounts to £E.3,223,071. Strictly speaking, this latter figure (and, of course, the total decrease as well) should be reduced by about £E.350,000 as the result of the importation, at the close of 1927, of 35,000 tons of nitrate of soda, which have only been excluded from the customs statistics for that year because the duty was deposited, and will not actually be paid until 1928. It is only fair that the imports for 1927 should be credited with this, because it cancels one of the chief factors in the total decrease by reducing the difference between the value of imports of nitrate of soda in 1926 and 1927 from the formidable amount of £E.416,832 to the comparatively modest sum of £E.66,832. The resultant decrease in the value of merchandise imported, viz., £E.2,873,000, is due to the following factors :—

(a) Increased local production of cereals, flour and rice, consequent on the legislative restriction of the area under cotton, which is responsible for no less than £E.1,622,600 of the total decrease. (See Appendix V.)

(b) Reduction in the price of different kinds or categories of articles, of which 36 have increased in quantity although they contribute in the aggregate £E.437,500 towards the total decrease.

(c) A decrease of £E.445,000 in the total value of imports on Government account.

(d) Replacement of wood for building by reinforced concrete accounting for £E.359,000 of the total decrease, and resulting in an increase of £E.100,000 in the value and 45,000 tons in the volume of cement imports.

(e) The effect of increased activity in the local weaving industry on imports of artificial silk cloths, resulting in a decrease in their value of £E.31,000, accompanied by an increase in imports of artificial silk yarn of £60,000 kilos in weight and £E.23,000 in value.

It will be observed that the sum total of these tangible factors, none of which can be ignored, slightly exceeds the total decrease of £E.2,873,000, and that none of them is symptomatic of the alleged decline in the purchasing power of the country.

The principal imports which have increased in value and volume are artificial silk yarn, benzine, cement, cheese, coal, cotton piece-goods (see Appendix VI), cotton yarn, electric wire and cable, jute piece-goods and sacks, matches, mazout (oil fuel), motor

vehicles, nitrate of lime, railway rolling stock, silk cloths, soap, sugar (raw and refined cane), superphosphate, and rubber tyres for motors and cycles. Imports which show an appreciable increase (either proportionate or relative) in value, but whose quantity is not specified, include artificial silk hosiery, electrical and miscellaneous machinery, medicinal preparations, perfumery, printed matter and wine in casks.

The principal articles, in which an appreciable decrease in quantity and value (i.e. £E.20,000 and upwards) has taken place, are boots and shoes (leather), carpets, cereals, flour and rice (see Appendix V), copper and brass sheets, dried fruit, fish (salted), gold bullion, iron and steel goods (see Appendix VII), kerosene, machinery, mineral lubricating oils, printing paper, railway sleepers (wooden), sewing cotton, mixed silk textiles, sugar (beet), wood for building, woollen textiles. Of the 36 imports referred to above, which have decreased in value but increased in quantity, those which are chiefly responsible for the contribution of £E.437,500 to the total decrease in imports are the following (the extent of their respective contributions being shown in brackets after each):—Coffee (£E.119,500), nitrate of soda (£E.66,800), tea (£E.49,000), railway locomotives (£E.45,000), mixed cotton textiles (£E.31,000), fresh fruit (£E.22,000), jute sacks unspecified (£E.17,700), bedsteads (£E.13,500), coconut oil (£E.10,000), wrapping paper (£E.6,400) and cardboard (£E.9,000).

Although one would infer from Appendix III, showing imports by categories in 1926 and 1927, that there had been a considerable decrease in the volume of foreign trade with Egypt, it is of interest and importance to observe that the total cargo landed in 1927 was 1,281,210 tons greater than that for 1926. Even allowing for the contribution of coal thereto, viz., 449,131 tons, the resultant net increase in the volume of all other imports is considerable. Further, in spite of the fact that Appendix IV shows a decrease in the value of imports from all of the United Kingdom's chief competitors (outside the Empire) with the sole exception of Japan, the volume of cargo landed from Belgian, Dutch, French, German, Greek, Italian and United States vessels has appreciably increased.

British Trade.—The country chiefly responsible for the increase in volume of trade is the United Kingdom, the total cargo landed from British ships in 1927 being 742,011 tons in excess of that for 1926; but although the increase, shown below, in British supplies of coal accounted for so large a proportion of this, it is satisfactory to note that there have been noticeable increases, either relative or proportionate, in other imports from the United Kingdom. The comparative statistics given hereunder are eloquent of Great Britain's recovery from the coal stoppage and of her almost complete recapture of this important market:—

COAL IMPORTS IN 1926 AND 1927.

	Metric tons.		Value in £E.	
	1926	1927	1926	1927
United Kingdom	603,060	1,249,279	853,516	1,856,298
Germany	119,518	50,863	232,535	84,617
United States	151,885	64,427	359,878	95,058
Other countries	63,730	22,755	119,892	36,172
Total	938,193	1,387,324	1,565,821	2,072,145

The other imports from the United Kingdom referred to above are cotton piece-goods (see Appendix VI) and railway trucks and carriages (see "Machinery" below), so far as large relative increases are concerned, while noticeable proportionate increases, ranging from £E.20,000 to £E.42,000, have taken place in mixed woollen and worsted textiles (see "Woollen Textiles"), cast iron pipes and fittings (see Appendix VII), motor vehicles (see this heading), electrical and miscellaneous machinery, and electric wire and cable (see "Machinery"), and cement; and from £E.5,000 to £E.12,000 in hemp yarn, iron or steel goods unspecified, motor cycles, machine tools, motor vessels, varnishes and stationery. Proportionate slight increases, ranging from £E.2,000 to £E.14,000, have occurred in silver bullion, household soap, medicinal preparations, tin ingots, bars and slabs, mosquito netting, hemp rope and cord, and woollen yarn.

The principal imports from the United Kingdom in which a marked decrease, either relative or proportionate, has occurred are:—Iron or steel rails and sleepers, constructed works, axle wheels and springs (see "Iron or Steel Goods" and Appendix VII), stationary internal combustion engines and power pumps (see "Machinery"), steamships and launches, all of which depend wholly or largely on the nature or extent of Government requirements. Those which do not are iron or steel sheets and plates, pipes and fittings, and hoops and strips (see Appendix VII), wheat flour (see Appendix V), cotton yarn, copper and brass sheets.

Although it must be understood that the above lists of imports in which increases or decreases have occurred are not comprehensive, the net result is most satisfactory, as the total value of imports from the United Kingdom has increased by £E.1,076,980, or nearly 9·5 per cent., thereby raising her share of the total from 21·8 per cent. to 25·6 per cent.

Empire Trade.—On the other hand imports from the rest of the Empire, including the mandated territories of Irak and Palestine, have fallen by £E.1,029,932, or 17 per cent., thus reducing their share of the total from 11·5 per cent. to 10·3 per

cent. Thanks, however, to the success of the United Kingdom the British Empire's proportion of the total imports has risen from 33·3 per cent. to 35·9 per cent. The decrease in the case of the rest of the Empire is largely due to the sensational decline in Egypt's cereal, flour and rice requirements which, as Appendix V will show, accounts for all but £E.96,000 of the figure quoted above. This balance consists chiefly of a decline of some £E.50,000 in coffee from Aden and British East Africa, £E.25,000 in mineral lubricating oils from British Borneo and Straits Settlements, and a net decrease in tea of £E.20,000.

Competition.—Mention has already been made of the decrease in the value of imports from all of the United Kingdom's principal competitors, excepting Japan (whose increase is entirely accounted for by cotton piece-goods, as will be seen from Appendix VI), and a glance at Appendix IV will show that there is only one other amongst the principal importing countries to show an increase in value, viz., Russia. In the case of France and Italy this decrease is attributed to reluctance on the part of many wholesale importers of their goods to buy largely owing to the relative stabilisation of their currencies. However this may be, their volume of trade does not appear to have suffered, since the total increase in cargo landed from French vessels amounts to 86,000 tons, and from Italian ships to 82,000 tons, representing increases of 45 per cent. and 15 per cent. respectively. In the case of Germany this increase amounts to 74,700 tons, or nearly 33 per cent., although the value of her share in a large number of imports has decreased in varying proportions. In the case of coal and miscellaneous machinery it is the United Kingdom who is responsible for the loss of German trade, but considerable decreases have also occurred in stationary internal combustion engines, power pumps, ironmongery, chemical manures (unspecified), woollen goods, printing and wrapping paper. Details of competition with the United Kingdom on the part of her principal rivals in various important lines will be found hereunder.

Cotton Piece-goods.—The outstanding features of the trade in the five chief categories of cotton piece-goods have been the following :—

(a) A marked increase in volume and value of total imports amounting to 48,991,122 sq. metres and £E.854,089 respectively.

(b) An increase of 28,706,199 sq. metres in volume and £E.363,766 in value of the United Kingdom's share of the trade.

(c) The increase in strength towards the close of 1927 of Italian, and throughout the year of Japanese competition, which mostly accounted for a decline in the United Kingdom's percentage of the total volume from 66·06 per cent. in 1926 to 64·43 per cent. in 1927, and in the case of the total value from 61·8 per cent. to 58·5 per cent.

(d) The keen competition between Italy and Japan in heavy goods dyed in the yarn, which was mainly responsible for the fact that whereas the Italian share of the total value and volume increased by only £E.131,131 and 4,855,897 sq. metres, that of Japan rose by no less than £E.344,042 and 13,568,315 sq. metres.

Appendices VI "A" and VI "B" show the value and volume of the five categories of cotton piece-goods imported and the individual shares of the principal countries in 1926 and 1927; but their percentages of the total volume quoted below, and the accompanying observations, may be of interest.

The United Kingdom increased her trade in grey goods, particularly in the lighter qualities, thanks to increased demand for the finer lines rather than to any falling away in competition, the net result being that the United Kingdom's proportion of the total import rose from 56·86 per cent. in 1926 to 60·56 per cent. in 1927. Japanese competition was intense throughout 1927, particularly in cabots, although her percentage of the whole trade fell from 42·20 per cent. in 1926 to 36·22 per cent. in 1927.

The United Kingdom more than maintained her position in imports of bleached goods, as shown by the rise in her share of the total business in these lines from 94·86 per cent. in 1926 to 96·14 per cent. in 1927. With the exception of a slight increase in imports from Holland, foreign competition made practically no headway, from which it would seem reasonable to conclude that the repeated efforts by Continental manufacturers to capture the bleached goods trade have not met with the success they anticipated.

Although United Kingdom deliveries of printed goods increased during the year under review, her percentage of the total trade declined from 71·94 per cent. in 1926 to 68·81 per cent. in 1927.

Although Italian business declined somewhat during the early months of 1927 owing to the appreciation of the lira, competition from that quarter recovered later on and increased in strength during the latter half of 1927, with the result that Italy's share of the whole trade increased from 15·10 per cent. in 1926 to 18·96 per cent. in 1927.

Austria, Belgium, France, Germany and Czechoslovakia also entered the market, in the case of the last two with some success, relatively speaking. All these countries are, in fact, now making a speciality of fancy and sateen cloths as well as ordinary prints; but for the last-named class of goods, Italy, France and Czechoslovakia are the United Kingdom's chief competitors.

American manufacturers also produced one or two lines of printed goods for this market, but up to the present their trade would seem to be rather on the decline.

Italy, Austria, France, Germany, Czechoslovakia and Holland have keenly contested the winter season market for raised back twills and flannelettes.

There was a slight increase in United Kingdom supplies of cotton piece-goods dyed in the yarn, but this was mostly due to increased sales in the heavier qualities. The United Kingdom's share of these lines fell from 18 per cent. in 1926 to 17 per cent. in 1927, accompanied by a more than fivefold increase in the Japanese share, viz., 26·03 per cent. in 1927 as against 4·91 per cent. in 1926.

Italy remained the chief supplier of the heavier qualities but her percentage of the trade declined appreciably, Japanese striped drills being generally preferred to the Italian qualities. Belgian imports also fell away appreciably.

One of the most noticeable features in connection with Japan's success in all lines of cotton piece-goods in which she competes has been the fact that local importers invariably pay cash for Japanese goods, whereas they insist upon long credits and high discounts for British and Continental lines. It appears that merchants obtain cash payments and thus assure a quick turnover when dealing in Japanese goods, although profits are lower owing partly to cutting commission rates to the lowest possible figure.

Although United Kingdom supplies of cotton piece-goods dyed in the piece increased during 1927, her percentage of the total trade fell from 69·81 per cent. in 1926 to 63·10 per cent. in 1927.

Following a lull earlier in the year as a result of the appreciation of the lira, Italian competition strengthened steadily during the latter half of 1927, sufficiently to increase her share of the total trade from 25·10 per cent. in 1926 to 30 per cent. in 1927.

So far as other cotton piece-goods returned by weight or linear metres are concerned, to which reference is made in the footnote to sections (A) and (B) of Appendix VI, the Italian share rose from £E.324,529 in 1926 to £E.444,784 in 1927, of which goods returned by weight only accounted for £E.8,000 odd in each case.

Taking the foregoing figures of value in conjunction with those given in Appendix VI, the combined share of the United Kingdom in cotton piece-goods stands at £E.3,827,369 in 1927, as compared with £E.3,443,204 in 1926, and that of Italy at £E.1,696,364 in 1927, as against £E.1,444,978 in 1926; the corresponding totals from all countries being £E.6,982,311 and £E.5,985,329 respectively.

Woollen Textiles.—The trend of United Kingdom trade in woollen goods reflected in varying degrees the general falling off in imports, the divergencies therefrom consisting of a slight rise in British supplies of woollen hosiery, and an appreciable increase in those of mixed textiles known as woollens or worsteds, in each case in spite of a reduced total import. In the latter case imports fell from £E.330,419 in 1926 to £E.278,944 in 1927, whereas the

corresponding British share rose from £E.71,868 to £E.100,435, thereby elevating the United Kingdom from third to first place, while Italy had to undergo the reverse process, France in each year being a close second. Further, the decline in British imports of woollen and worsted cloths was not so acute as that of the total from all countries, with the result that the British share of the 1927 total, viz., £E.567,440, was 53 per cent., as compared with 48 per cent. of the 1926 total, i.e. £E.687,704. The only country whose imports of these goods increased, and only slightly at that, was France, who was the United Kingdom's chief competitor in most lines of woollen textiles in 1927, with Czechoslovakia, Germany and Italy vying with each other for the third place as a general rule.

Owing to the normally short winter season in Egypt the woollen goods trade in articles of wearing apparel is necessarily somewhat circumscribed, but there are always openings during the buying season for lighter weights and variety articles.

Iron and Steel Goods.—Details of the individual shares of the United Kingdom, Belgium, France and Germany, in the principal imports of these goods will be found in Appendix VII, from which it will be seen that the only exception to the all-round decline is afforded by girders and joists, the increase in which is due to the fact that building activity shows no signs of abatement.

The large drop in hoops and strips, and in particular of British imports, is attributed to the much higher freights charged during 1927 by a certain shipping combine for cargo from the United Kingdom to Egypt than from Continental ports to Egypt. This has enabled German manufacturers to secure 50 per cent. of the trade as against 9 per cent. in 1927, whereas the British proportion has fallen from about four-fifths to only 30 per cent. It is to be hoped that, thanks to the reduction in rates which has recently taken place as a result of the representations made by exporters, the *status quo ante* will soon be restored.

In the case of axles, wheels and springs, rails and fittings (including sleepers) and, to a certain extent, wholly or partly constructed works, rivets, bolts, nuts, and pipes and fittings, the decrease is attributable to the fact that imports of such goods fluctuate in proportion to the extent and nature of Government requirements, and are further influenced by the length of time allowed for delivery of material.

Thus, although British firms secured orders during 1927 for :—

	Value £E.
23,900 tons of steel rails	190,000
1,030 tons of fishplates	12,000
Steel-work for Kafr Bulin regulator, lock gates and swing-bridge ...	15,120
113 sluice gates for Assiut barrage	9,040

only a small proportion of the material for the two first-named orders was due for delivery in 1927, and whereas 50 of the Assiut

sluice gates were delivered in December last, the Kafr Bulin steel work was not due to begin arriving until 1st January, 1928. It may be of interest to add here that the contract for 15 small railway bridges, which came up for adjudication in May, 1927, has just been awarded to a British firm at a tender price of £E.7,700.

The first two of the above-quoted orders were placed by the Egyptian State Railways, which is the only department of the Egyptian Government frequently calling for tenders for valuable contracts, as is shown by the fact that, of the total value of material imported on Government account in 1927, viz., £E.3,062,000, the share of the Egyptian State Railways alone was £E.2,478,000.

As the balance of £E.584,000 for all other material purchased from abroad by the Egyptian Government cannot be taken as a representative figure, but must be looked upon as a total capable of considerable expansion when the Egyptian Government launch the large undertakings contemplated by them, United Kingdom firms cannot be too strongly urged to make every effort to retain the market afforded by Egyptian Government contracts. This is more than ever necessary now in view of the fact that their foreign rivals, encouraged by a considerable measure of success, are concentrating so keenly on this business. This competition can only be met successfully by means of efficient representation in Egypt and by paying strict attention to the question of price.

Further, although it is the exception rather than the rule that quality of material and workmanship is a primary consideration in adjudicating contracts, British manufacturers should not be deterred by this. If sacrifices have to be made they should be limited to prices, and it is anticipated that this will be unavoidable if British manufacturers are to prevent their foreign rivals from undercutting them by 20 per cent. and so wresting so much of this important business from them.

It should be noted that the above remarks apply equally forcibly to competition for contracts for the supply of other heavy engineering goods, including machinery.

Machinery and Engineering Goods.—So far as the future is concerned British engineering firms who specialise in railway material must bear in mind that the three years' abnormal renewals programme of the Egyptian State Railways came to an end with the completion on 30th April, 1928, of the financial year under review, and that, consequently, rapidity of delivery will only in exceptional cases be a primary consideration.

It should be pointed out that the imports of stationary internal combustion engines and power pumps do not include those ordered from the United Kingdom in connection with a Government contract for a pumping station at Amria, worth £E.53,000, which was secured some time ago by a British firm. For reasons given in the report dated May, 1927, this material has

been delayed, and has only recently been delivered. It will therefore figure in the imports for 1928, as will also an appreciable proportion of the engines and pumps required for the execution of five contracts for pumping stations recently placed by the Egyptian Government of a total approximate value of £E.498,345. Although only one of these contracts, viz., that for Belqas, was secured by a United Kingdom firm, it is some consolation to know that it was the most valuable of them, the tender price being £E.181,325 for the supply and erection of three 2,500 k.w. turbo-alternator groups and accessories. The success of foreign competition was due partly to consideration being given to price rather than to quality, and partly to the preference of the Egyptian Government for the old "open" type of Diesel engine over the more modern "closed" design.

It is satisfactory to note in connection with British imports of machine tools in 1927 that Germany, who held pride of place in 1926 with £E.19,769 worth, has fallen to second place in 1927 with a total of £E.10,976.

British imports of electrical machinery trebled in 1927 and raised the United Kingdom from second to first place with a share of £E.61,756 out of a total from all countries of £E.212,260, which in turn is nearly 40 per cent. higher than the 1926 total. Imports from Italy and the United States remained constant, but Belgian and Swiss supplies were respectively nearly trebled and doubled, while German imports appreciably declined, and France, in spite of a slight increase, dropped from first to second place.

It is also satisfactory to note that although France is principally responsible for the rise in the total value of miscellaneous machinery imports from £E.556,273 to £E.601,852, the corresponding British share, which continues to be predominant, has increased from £E.243,847 in 1926 to £E.268,990 in 1927. Imports from the other principal importing countries, viz., Belgium, Germany, Holland, Switzerland and the United States, have increased in varying degrees.

Motor Vehicles.—The insignificant part taken by the United Kingdom (in spite of an appreciable proportionate increase in her imports over 1926) in this ever-expanding market is clearly shown by the following comparative statistics :—

MOTOR CARS AND CHASSIS COMPLETE.

From	1926		1927	
	No.	£E.	No.	£E.
United Kingdom	270	61,172	360	71,060
France	752	167,504	658	150,090
Italy	1,156	222,589	1,187	225,195
United States	2,421	262,144	2,559	371,767
Total, including other countries	4,762	747,024	4,870	840,509

MOTOR TRUCKS, 'BUSES AND LORRIES.

				1926	1927	
					No.	£E.
United Kingdom	...	...	} Included in above figures	{	37	14,012
France	...	...			81	27,245
U.S.A.	...	...			616	60,849
Total, including other countries	...	...		—	753	107,386

It should be noted that the number of motor 'buses imported in 1926 and 1927 amounted only to 21 in each year, of which 10 came from the United States, 4 from France and the remainder from other countries.

Although, pending the enforcement of new motor 'bus regulations which will exclude all of the existing vehicles that are composed of jerry-built bodies precariously perched on light lorry chassis, there is no demand for the finished article among the 300 odd native owners of one or two such makeshift 'buses, it would popularise British made motor 'buses in advance, if manufacturers were to show more enterprise than has hitherto been apparent in introducing their products to the Cairo public. There are at the present moment four British-made motor 'buses in circulation, which have been acquired by one of the chief local 'bus proprietors, but as there are 33 different 'bus routes in Cairo and no less than 464 'buses actually running in the city, and over 500 in the provinces within the jurisdiction of the Cairo traffic authorities, the potential advertising value of these four pioneers is necessarily very limited. It should also be remembered that the potential market for motor 'buses is by no means confined to those for public use; the number of hotels, schools, clubs and religious institutions which either own or hire such vehicles is steadily increasing.

So far as the market for private motor cars and taxi-cabs is concerned, United Kingdom manufacturers ought to be able to secure more than the present 8 per cent. of the value and 7·4 per cent. of the number imported from all countries in 1927 by giving more adequate support to their local representatives and to the opportunities offered them of facilities for increasing sales. An outstanding instance of both these factors is afforded by the possibilities of the hire-purchase system as applied to motor sales, in respect of which encouragement might well be given to the local representatives of British manufacturers.

These principles have already been applied effectively in connection with public vehicles; and thanks to the enterprise of, and special facilities offered by, one of the principal Continental manufacturers, the bulk of the taxi-cabs now in circulation have been supplied by them, and many are now owned by their drivers.

Although the potentialities of the Egyptian market for motor vehicles of all kinds can to some extent be realised by studying the customs statistics quoted above, the extent of the actual demand can be more accurately gauged from the following table, which shows the total numbers actually in circulation on the date specified, viz., 31st March, 1928 :—

	Cairo.	Provinces.	Alex- andria.	Port Said.
Motor cars	6,644	2,239	2,800	243
„ cycles	1,929	509	902	158
„ lorries	1,487	390	555	35
„ cabs	1,830	3,746	983	145
„ buses	464	558	172	22

There has been a considerable increase, thanks to the prevailing preference for the British product, in the total number and value of motor cycles imported. The number has risen from 241 to 455 and the corresponding value from £E.11,351 to £E.20,240, the British share in 1926 being 168 valued at £E.7,983 and 378 worth £E.17,016 in 1927.

EXPORTS.

The increase in the value of exports in 1927, amounting to £E.6,581,112, or 16 per cent., is due primarily to the improvement in the price of cotton, but a glance at Appendix IX will show that only two out of the fifteen categories are exceptions to the general increase in exports, which so far as value and quantity are concerned applies to all but three of Egypt's principal products, while the decrease in those three affects their value only. The chief commodities, besides cotton, in which an appreciable increase in value and quantity has occurred are benzine, cigarettes, cottonseed, cottonseed oil, hides (both tanned and untanned), manganese ore, onions, phosphates and rice. The three exceptions referred to above, in which an increase in quantity only has taken place, are cottonseed cakes, eggs and raw wool.

The increase in cottonseed of 768,608 ardebs and £E.916,000 is attributed partly to the decline in the American crop and partly to the need for obtaining elsewhere the oleaginous seeds that China used to supply to Europe. In the case of rice, which has risen by 19,429 tons and £E.198,000, the increase is due to the fact that cultivators, in view of the restriction of the cotton area, disposed of a larger quantity of rice abroad than usual.

The United Kingdom has been, as usual, the principal buyer of many of Egypt's principal products, viz., cotton, cottonseed cake and oil, eggs, onions and light sheepskin leather, but owing

to the fact that British purchases of Egyptian cotton have decreased both in value and quantity (see Appendix XI) the United Kingdom's share of the total exports, though actually £E.216,936 higher than in 1926, has dropped from 45 per cent. to 39 per cent. Further, the share of the Rest of Empire is so small as compared with that of the United Kingdom that there is not sufficient margin for a counter-balancing increase, with the result that in spite of a rise of about £E.230,500 in their share, the contribution of the British Empire to the total exports has fallen from 47·5 per cent. to 41·7 per cent.

Of the principal countries outside the Empire, whose total purchases of Egypt's products are shown in Appendix X, France is the sole exception to an otherwise universal rise. In some cases this is entirely due, and in every case but those of Greece and Holland primarily due, to larger purchases of Egyptian cotton. These two exceptions are due chiefly to appreciable increases in exports of cottonseed oil to Greece and Holland, as well as of heavy untanned hides and rice to the former and of manganese ore and onions to the latter. Subject to these exceptions, Appendices X and XI should be considered in conjunction, but it must also be remembered that although so large a proportion of Germany's increase is due to cotton, that country is a buyer on a considerable scale of cottonseed, cottonseed oil, onions and unbleached rice. In the case of France, most of the decrease in the value of her cotton purchases has been offset by increases in eggs, goat skins, onions, unbleached rice and benzine (of which she bought just under, and the United Kingdom slightly over, 7,000 tons). As regards Italy and Japan, the former is also a buyer of goat skins, onions and phosphates, while the latter takes the bulk of the last-named commodity, and although the United States is the principal buyer of raw wool and increased her purchases of onions and goat skins, these two were offset by a considerable decrease in the value and quantity of the first-named commodity with the result that all but £E.3,000 of the total increase of £E.1,215,000 in the value of exports to that country is due to cotton.

The outstanding examples of the part played by cotton in being entirely responsible for the increase in the value of exports are Czechoslovakia and Russia. In the case of the former, as Appendix XI will show, this was chiefly due to her demand for Ashmouni, whereas although the actual increase in the volume of Russian requirements of Ashmouni was larger than those of Sakellarides, the proportionate increase in the latter was very much greater. It should be observed that only a small proportion of the total increase of 262,618 cantars in exports of cotton to Russia arises out of the agreement for the purchase of Egyptian Government cotton referred to earlier in this report, as shipments of 2,000 bales (15,500 cantars) a month only began in December, 1927.

PROMOTION OF TRADE AND INDUSTRY.

Bureau of Commerce and Industry.—During the period under review this bureau, which is a department of the Ministry of Finance, has been reorganised and placed under a British Controller. One of the most useful reforms introduced is the formation of a consultative committee comprising industrialists, merchants and officials representing the departments chiefly concerned with trade, industry and economic questions in general. It has also been decided to employ European experts in rice-hulling, flaying of hides, tanning and furniture making and designing, to report on ways and means of improving the methods at present employed.

The Permanent Exhibition of Arts and Crafts, situated on the premises of the Bureau, is in future to contain only the finest specimens of Egyptian products instead of being used, as at present, chiefly for the sale of the articles on show. Products of European manufacture will also be admitted free of charge provided that they present special advantages.

Centralisation of Government Purchases.—A step in this direction has been taken by centralising the purchase of certain commodities, such as forage and fuel, in the departments which either possess the necessary technical knowledge or are the largest consumers. It is hoped to extend this principle in due course to the purchase of stationery and office equipment. Although the primary object of this is the reduction of public expenditure, the advantage both to the Treasury and to manufacturers of its extension to all supplies which are common to several departments is obvious. Under existing conditions manufacturers and contractors are in many cases discouraged from tendering by the fact that the same tender includes a large number of multifarious articles of which only one or two interest them, or that the quantity required of any given article is too small to make it worth their while to tender.

Commercial Legislation.—The legislative and administrative measures affecting trade, industry and finance, which have been under consideration or promulgated during the period under review, are as follows:—

(a) *Alcohol.* The proposed excise law referred to on page 37 of the Annual Report dated May, 1927, is still in the draft stage. A law which will act as an effective deterrent to the illicit distillation of alcohol is badly needed, not only to prevent the excise from being defrauded, but also to remove a form of unfair competition with standard brands of whisky, brandy, etc.

(b) *Company Law.* (See p. 17).

(c) *Co-operative Societies.* (See p. 16).

(d) *Cotton, forward sales.* (See p. 17).

(e) *Cotton Futures Market.* On 5th November, 1927 a Royal decree was promulgated abrogating the Sultan's decree of 25th July, 1916, and introducing modifications into the regulations governing the operations, conditions of membership, etc., of the cotton futures (or Contracts) market at Alexandria.

(f) *Inland Navigation.* (See p. 39).

(g) *Insurance.* As a result of a certain amount of Parliamentary and Press agitation arising out of a question in the Senate in February, 1927, an informal committee has been formed under the auspices of the Ministry of Finance for preliminary study of proposals for the regulation of insurance business. These proposals will be submitted to the committee which is eventually to be formed to draft legislation governing the operations of insurance companies in Egypt, with particular reference to the extent and nature of guarantee deposits as cover for policies issued by them in Egypt. The present committee includes a British official with an international reputation as a statistician, and will consult the views of the local representatives of British, Colonial, and foreign insurance companies before its proposals are taken up with a view to legislation.

(h) *Labour.* A special committee under the chairmanship of the Under Secretary to the Minister of Justice was formed in 1927 to draft comprehensive labour legislation which is at present confined to departmental regulations, governing child labour in certain kinds of factories.

(i) *Motor Vehicles.* (See p. 29).

(j) *Stock Exchange.* Modifications to be introduced into its regulations, with special reference to prohibition of transactions in stocks and shares that are not officially quoted, are being drafted by a Government committee.

Congresses.—In December, 1927, the 17th International Statistical Congress was held in Cairo.

From December 15th to 22nd, 1928, the International Congress of Tropical Medicine and Hygiene, which is to coincide with the celebration of the centenary of the Egyptian Faculty of Medicine, will be held in Cairo.

Exhibitions.—*Medical Equipment.*—An exhibition of surgical, laboratory, sanitary and electric apparatus and appliances, also of drugs, chemicals and foods, &c., will be held conjointly with the above-mentioned Congress.

Motor Vehicles.—The first purely British motor show ever organised in Egypt was held at Cairo in February, 1928. Thirteen different makes were represented, comprising 26 different models of cars, and 6 of commercial vehicles. The show was tastefully arranged and well attended.

Samples.—In October, 1927, an exhibition of textiles of United States manufacture was opened in Cairo in connection with a visit of American business men.

In December, 1927, an exhibition of miscellaneous Japanese goods was held in Cairo during a visit of a trade delegation from Japan.

In March, 1928, an exhibition of cotton piece-goods of Indian manufacture was held in Cairo on the occasion of the visit of the Trade Mission appointed by the Government of India to investigate ways and means of increasing trade between Egypt and India.

On April 12th, 1928, a permanent exhibition of Japanese goods was opened in Cairo.

Experts Engaged.—European experts have been engaged by the Egyptian Government to examine and report on the following matters (in addition to those dealt with above or elsewhere in this report), viz. :—

Assuan Dam.—An Italian hydro-electric engineer was engaged in April, 1927, to examine and eventually report to an international commission on the Assuan dam power scheme referred to on page 40 of the Annual Report dated May, 1927. In July of that year a German hydraulic engineer was appointed as his assistant.

This international commission will also be invited to consider projects for the heightening of the Assuan dam (for the study of which a British consulting engineer was recently engaged) and the alternative thereto, viz., the construction of a dam at Gebel Aulia in the Sudan.

Fisheries.—A British expert in fish breeding and fishing is at present studying the condition of the fisheries in Egyptian waters with a view to making recommendations to the Egyptian Government for their improvement, and a supplementary credit, which has been asked for but not yet approved, for 1928-29 included £E.9,310 for the purchase of a vessel for fisheries research.

Locusts.—A British expert was recently engaged in connection with preliminary experiments undertaken by the Royal Air Force in determining the effective dosage of sodium fluosilicate in powder form distributed by a hopper specially designed for attachment to an aeroplane. Although no experiments over either crops or locusts have so far taken place, a network of landing grounds has been planned for use in connection with any future campaign for locust destruction by dusting them with lethal powder from aeroplanes.

Local Industries.—Assistance to local industries during the period under review has taken the following forms :—

(a) Engagement of experts under the auspices of the Bureau of Commerce and Industry (see above).

(b) Exemption from export and quay duties of articles of local manufacture; the total number of kinds and categories affected having been brought up to 103 by a Ministerial Order dated 4th October, 1927. A complete list can be consulted at the Department of Overseas Trade.

(c) Loans to nascent industries. During the year ended 31st December, 1927, the Banque Misr, with whom the Government deposits the money to be used for this purpose, contracted 30 loans totalling £E.123,041. Further, the Government has now agreed to the removal of the restrictions by which important industries were debarred from applying for these loans.

Protection of Commercial Credit.—As the result of representations by the various Chambers of Commerce, the Mixed Court of Appeal has decided that, as from 1st November, 1928,

monthly lists of debtors whose bills are protested are to be prepared by the bailiffs of the Mixed Courts at Cairo, Alexandria and Mansourah, and that the details of each protest are to include a résumé of the debtor's reply. Copies of these lists will be obtainable on payment of the stamp duty thereon. This procedure is to be in the nature of an experiment; if it proves too cumbersome because of the necessity for collecting these lists from the Mixed Courts in three different places, or, alternatively, does not afford sufficient protection to commercial credit, it is possible that the Mixed Court of Appeal may reconsider their refusal to accede to the request of the Chambers of Commerce that these lists should be published in the *Journal des Tribunaux Mixtes*.

Representation of British Commercial Interests.—Two innovations of some importance to British commercial interests in Egypt, and to industrial interests in the United Kingdom, respectively, took place during 1927, viz. :—

(i) As from 1st June the British Chambers of Commerce in Alexandria and Cairo have dealt jointly with all matters affecting British commercial interests in Egypt as a whole, as the result of the appointment of a joint whole-time secretary. The effect of this arrangement on the utility and influence of the Chamber needs no elaboration.

(ii) As from October the headquarters of the Near East representative of the Federation of British Industries were definitely established in Cairo.

Rent of Government Offices.—The high rents the Government has to pay for the accommodation of departments and official institutions in premises that are not Government property undoubtedly constitute an important factor in keeping rents in general at their present high level. It is therefore to the advantage of the community at large that the Government should, in due course, extend to all otherwise homeless offices the programme at present under consideration, and partly begun, for constructing buildings of their own, designed to suit the particular requirements of each department or institution.

III. INDUSTRY AND PRODUCTION.

MINING INDUSTRY.

The industry gave employment to an average of 2,753 Egyptians and 112 Europeans over the whole year.

Although no new large sources of phosphate, manganese or petroleum were worked in 1927 the production figures are larger than in any previous year. Interest in prospecting, in general, has shown a slight revival, but the delays in obtaining Ministerial consent to the issue of licences is not conducive to the encouragement of enterprise.

Phosphate.— Production increased from 232,008 metric tons in 1926 to 279,389 metric tons in 1927. The price of phosphate rock has slightly increased.

Manganese production reached 152,845 metric tons, an increase of 30,977 tons over 1926. This increase is partly due to the company having created a market for a lower grade of manganese than that which they were previously able to sell. The market has been influenced by increased production in other parts of the world, and prices have been lower. A deposit of limited area which yields a high grade of manganese has lately been exploited by a syndicate which has commenced to produce on a small scale.

The dumps of the **lead and zinc** mine at Gebel el Rossas are being reworked and small shipments of low grade ore may be expected from this source if prices are favourable.

Petroleum output was better than any obtained since 1919, amounting to 184,556 metric tons, an increase of 11,604 tons over 1926. The State refinery continued to receive and deal with crude oil collected by the Mines Department as royalty in kind; the quantity due was 8,491 metric tons, an increase of 368 metric tons over 1926.

During the winter of 1927 the Egyptian Government engaged the services of an eminent British expert in geological research to study the potentialities of certain desert zones as petroliferous areas, and the structure of their geological strata. As a result of his report the budget for 1928-29 includes a credit for £E.9,000 for the purpose of putting his recommendations into effect.

In accordance with the desire of the Egyptian Parliament the Government refinery is increasing its output as far as possible, and will refine 18,000 tons of crude petroleum during the coming financial year.

The credit for £E.11,000 in the 1928-29 budget for the installation of a pipe line by the Egyptian Government to connect their refinery at Suez with Port Tewfik Harbour—a distance of five miles—casts an interesting sidelight on the value of the newly-constructed petroleum basin at Suez which, if it were utilisable, would necessitate a pipe line of only a mile in length. It seems reasonable to infer from this that this basin is not likely to be of any practical use for some time to come, and this is borne out by the fact that big tankers cannot get in at all; further, defects have been found in the wharf wall and rust has got into the reinforced concrete used.

OTHER LOCAL INDUSTRIES.

In September, 1927, the Banque Misr, in combination with certain Egyptian capitalists, launched four purely Egyptian companies for the exploitation of the Red Sea fisheries (£E.20,000

capital); for the spinning and weaving of cotton (£E.300,000); silk weaving (£E.10,000), and the exploitation of the flax industry (£E.10,000).

In March, 1928, tenders were invited for the supply and installation of the first of three instalments of cotton spinning and weaving machinery which will eventually comprise 36,000 spindles and 1,344 looms.

The increased activity of Egyptian cotton and artificial silk goods manufactures is reflected in the imports of cotton yarn and artificial silk yarn. The quantity of cotton yarn imported in 1927 is 457,000 kilos in excess of that of 1926, the chief consumer being the Filature Nationale, which uses it for the manufacture of greys known as "Abak," which compete with Japanese cotton piece-goods of the same kind.

So far as the artificial silk industry is concerned, the replacement of some of the hand looms by imported machinery had the effect of increasing the quantity of yarn imported by 60,000 kilos, and as a natural corollary imports of piece-goods decreased by 196,000 metres.

IV. TRANSPORT AND COMMUNICATIONS.

Aviation.—The Imperial Airways have carried on a regular weekly service between Cairo and Basra since April 6th, 1927; the traffic statistics in stages, from its inauguration on January 9th until December 31st, 1927, are as follows:—

Total mileage	...	...	...	...	123,652
„ paying passengers	...	...	...	...	1,423
Luggage and freight carried	...	...	...	...	17,866 lbs.
Mails carried	...	...	...	...	109,737 „

Cables.—The Eastern Telegraph Company, in accordance with the terms of their agreement of September, 1926, with the Egyptian Government, laid two new submarine cables (making three in all) between Alexandria and Port Said during 1927 to connect with their new subterranean lines between Port Said and Suez. As a result, however, of the refusal of the Egyptian Government to sanction the request of the Eastern Telegraph Company (which was originally put forward in connection with the terms of the above-mentioned agreement) to lay a cable from Port Said to Haiffa, the latter port has been linked up with Cyprus instead, and the consequent effect on the Egyptian Government revenue from external telegraph traffic has had to be provided for in the budget for 1928-29.

Radio.—The Société Anonyme, formed locally in accordance with the terms of the agreement of May, 1927, between the Egyptian Government and the Marconi Wireless Telegraph Company, Limited, for commercial exploitation of wireless telegraphy in Egypt, took over the Abu Zabal Wireless Station from H.B.M.

Postmaster-General on 15th January, 1928. The record of their activities up to the moment of writing is most satisfactory, as they are getting all the traffic they can conveniently handle with the apparatus at present at their disposal.

Reference has been made earlier in this report to the credit in the budget for 1928-29 for additional apparatus for the Government Wireless Station at Ras-el-Tin, Alexandria, used for communicating with ships at sea, and for the erection of a 2 kilowatt station at Cairo to connect with Kosseir on the Red Sea.

Inland Navigation.—The question of the modifications in the control of, and general conditions affecting, inland water transport, is still engaging the attention of the Egyptian Government who are considering the promulgation of a law for this purpose. As this form of communication is mostly in the hands of European companies, their views were solicited by the British navigation expert engaged by the Egyptian Government to study the whole question of inland navigation, and it is understood that the draft law has undergone radical alteration in consequence.

Motor Transport.—Reference has been made elsewhere in this report to most of the points of interest under the above heading, but it may be pertinent to observe here that competition by motor omnibus services in the provinces and between the large towns and their outskirts is seriously engaging the attention of the Egyptian State railways. By way of meeting this competition they are experimenting with rail motor coaches; they have reduced the fare between Alexandria and one of its outlying suburbs to a level considerably below that charged on the motor 'buses serving that route, and are offering considerable fare reductions on journeys within a radius of 30 kilometres from places where fairs are held, with the additional attraction of an increase in the weight of bundles, packages, &c., that third-class passengers can take with them in railway compartments. The object of this facility is to remove the objection the fellaheen have to the luggage regulations of the railways, which do not affect motor 'buses. In this connection the writer has seen a motor 'bus coming in to Alexandria from a provincial centre with live calves among the passengers.

Tramways.—The Alexandria Municipality, who have for some time been considering the question of purchasing the Alexandria-Ramleh Railway (an electric tramway service) from the existing concessionnaires, have recently engaged a British expert to study the whole question of the urban and suburban tramway and motor 'bus services of Alexandria.

Roads and Bridges.—In June, 1927, the Alexandria Municipality engaged the services of a British expert to study the

question of the construction, improvement and planning of that city's roads. A copy of his report can be inspected at the Department of Overseas Trade.

The Egyptian Government has recently engaged a Belgian expert to study and report on the extension and improvement of agricultural roads in the provinces.

Motor traffic in the Canal Zone in particular has been considerably accelerated and facilitated by the fact that the ferry at Raswah was replaced in February, 1928, by a floating bridge installed by the company.

Railways.—The new terminus at Alexandria has at last been completed and was formally inaugurated by His Majesty the King in November, 1927.

A project for the electrification of the Helouan railway, and the construction of a subway to connect its Cairo end with the main line terminus, were under consideration during 1927 by the Egyptian Government who engaged the services of a British consulting engineer to study and report on the question.

Shipping.—Statistics of the shipping of the principal countries entered and cleared at all Egyptian ports in 1927, together with passengers and cargo landed and loaded, will be found in Appendix XII. As compared with similar statistics for 1926 (see Appendix X to the Report dated May, 1927), the increase both in the total number of ships entered and volume of cargo landed, as well as in the corresponding British shares, is most marked. The number of British arrivals has increased by 2,518 and the volume of cargo landed by 742,011 tons, while the corresponding totals from all countries have risen by 5,106 ships and 1,281,219 tons. Amongst other countries considerable proportionate increases have taken place in the numbers of American, Dutch, French, German, Italian and Roumanian ships entered, and in the total volume of cargo landed from Dutch, French and German vessels.

Harbour Works.—The petroleum basins projected at Alexandria, and constructed at Suez, have been referred to elsewhere in this report.

The only other harbour works of any importance that have been undertaken during the period under review consisted of the reconstruction and extension of the breakwater in the eastern harbour at Alexandria to the order of the municipality who entrusted the work to the French firm who had originally built it.

Port Dues at Alexandria.—As the result of representations and complaints by the shipping companies using this port concerning the excessive port dues levied, a commission was appointed by the Egyptian Government in December, 1927, to study the question of modifying them in order to meet the requirements of the interested parties so far as possible.

APPENDIX I.

TRADE BALANCES FOR YEARS 1922-1927.

	1922	1923	1924	1925	1926	1927
Exports ...	£E. 48,716,418	£E. 58,387,327	£E. 65,733,935	£E. 59,198,662	£E. 41,759,391	£E. 48,340,503
Re-exports ...	2,661,246	1,465,846	1,470,143	1,270,174	1,369,689	1,369,651
Total ...	51,377,664	59,853,173	67,204,078	60,468,836	43,129,080	49,710,154
Imports ...	43,333,938	45,276,963	50,736,918	58,224,895	52,400,059	48,685,128
Trade balance ...	+8,043,726	+14,576,210	+16,467,160	+2,243,941	-9,270,979	+1,025,026
Total foreign trade ...	94,711,602	105,130,136	117,940,996	118,693,731	95,529,139	98,395,282

Note.—Figures are exclusive of specie.

APPENDIX II.

COMPARATIVE QUOTATIONS OF PRINCIPAL STOCKS AND SHARES.

Name.	1927 End of April.	1928 End of April.
Egyptian Unified 4%	£84½ cum. div.	£88½ cum. div.
„ Privileged 3½%	£72½ ex. div.	£75½ ex. div.
„ Tribute 4%	£84½	£89½
„ „ 3½%	£77½	£82½
Agricultural Bank Ordinary Shares ...	£7½	£7½
Credit Foncier Egyptian, Ordinary	Fcs.1016	Fcs.1198
Land Bank of Egypt „	£13½	£16½
National Bank of Egypt „	£35½	£35
Alexandria Water Co., Ltd. „	£14½	£17½
Behera Company „	£16½	£19½
Union Foncier d'Egypte „	£3½	£5½
S.A. des Immeubles d'Egypte „	£15½	£17½
Grands Hotels d'Egypte „	£17½	£20½
Soc. Gen. de Pressage, etc. „	£15½	£17½
Soc. des Presses Libres Eg. „	£11½	£11½
Egyptian Bonded Warehouses „	£11½	£9½
Port Said Salt Association „	91/4½	127/-
Aboukir Co., Ltd.	20/9	26/-
New Egyptian Co., Ltd.	35/-	34/3
Suez Canal 5% Debentures	Fcs.504	Fcs.510
„ 3% „ 2nd series	Fcs.362	Fcs.383
Cairo Electric Rly. and Heliopolis Co. Debentures	Fcs.498	Fcs.506
„ „ „ Shares	Fcs.451½	Fcs.594
„ „ „ Founders	£E.73½	£E.81½

APPENDIX III.

SUMMARY OF VALUE OF IMPORTS INTO EGYPT, CLASSIFIED BY CATEGORIES.

Categories.	1926 £E.	1927 £E.
1. Animals and animal food products	1,801,984	1,413,328
2. Hides, skins and leather goods	673,810	638,670
3. Other animal products	53,757	38,182
4. Cereals, flour and agricultural produce	5,952,455	4,219,863
5. Colonial produce and general grocery	2,934,519	2,649,733
6. Spirits, beverages and oils	3,803,222	3,690,852
7. Paper and printed matter	1,026,891	942,161
8. Wood and coal	4,355,453	4,253,151
9. Stone, earthenware and glassware	1,499,159	1,483,003
10. Dyestuffs, tanstuffs and colours	380,323	369,723
11. Chemical and medicinal products and per- fumery	3,790,541	3,538,281
12. Yarns and textiles	13,631,434	13,933,792
13. Metals and metalware	8,761,754	8,262,143
14. Miscellaneous	1,883,087	1,892,436
	<hr/>	<hr/>
15. Tobacco	50,548,389	47,325,318
	<hr/>	<hr/>
Total of imports	52,400,059	48,685,128

APPENDIX IV.

VALUE OF IMPORTS FROM PRINCIPAL COUNTRIES.

Country.						1926 £E.	1927 £E.
United Kingdom	...	...	...	...	...	11,405,307	12,482,287
Australia and New Zealand	...	...	...	...	...	2,046,706	1,720,469
British India (including Aden)	...	...	...	...	...	2,169,382	1,674,142
Other British Possessions in the Far East (a)	...	...	...	...	...	650,070	604,058
Mesopotamia (b)	...	...	...	...	...	34,922	21,130
Palestine (b)	...	...	...	...	...	534,870	520,835
British Mediterranean Possessions (c)	...	...	...	...	...	293,061	266,553
British Possessions in Africa	...	...	...	...	...	258,539	143,633
Trinidad	...	...	...	...	...	38,238	44,165
Canada	...	...	...	...	...	26,508	27,377
British Empire total						17,457,603	17,504,649
Austria	...	...	...	...	...	658,389	571,466
Belgium	...	...	...	...	...	2,216,889	2,058,188
Chili	...	...	...	...	...	1,782,643	1,428,932
China	...	...	...	...	...	450,073	313,075
Czechoslovakia	...	...	...	...	...	1,280,608	970,452
France	...	...	...	...	...	5,676,480	5,337,182
Germany	...	...	...	...	...	3,793,428	3,060,342
Greece...	...	...	...	...	...	1,032,440	974,345
Holland	...	...	...	...	...	539,341	529,532
Italy	...	...	...	...	...	4,547,642	4,238,276
Japan	...	...	...	...	...	832,545	1,185,277
Roumania	...	...	...	...	...	1,929,404	1,563,331
Russia...	...	...	...	...	...	526,918	806,868
Sweden	...	...	...	...	...	609,496	511,664
Syria	...	...	...	...	...	718,257	584,684
Turkey	...	...	...	...	...	1,492,112	993,419
U.S.A....	...	...	...	...	...	2,474,217	2,274,523
Total, including other countries						52,400,059	48,685,128

(a) Including Ceylon, Straits Settlements, Hongkong and British Borneo.

(b) Mandated territories.

(c) Including Malta, Cyprus and Gibraltar.

APPENDIX V.

IMPORTS OF WHEAT, WHEAT FLOUR, RICE AND BARLEY.

				1926		1927	
<i>Wheat.</i>				M.T.	£E.	M.T.	£E.
From—							
British India	...	...	...	682	8,719	7	74
Australia	...	...	...	6,437	86,885	8	88
Others	...	...	...	5,304	69,018	23	257
All countries	...	...	...	12,423	164,622	38	419
<i>Wheat flour.</i>							
United Kingdom	...	...	...	8,325	127,303	6,143	86,321
British India	...	...	...	9,415	153,400	4,555	69,107
Australia	...	...	...	112,778	1,844,068	108,265	1,638,483
Canada	...	...	...	530	9,291	380	5,511
Bulgaria	...	...	...	1,339	22,989	209	3,276
France	...	...	...	16,626	242,173	966	12,537
Italy	...	...	...	779	11,864	88	1,149
Roumania	...	...	...	5,301	86,673	876	13,958
U.S.A.	...	...	...	40,230	641,608	32,676	507,422
Others	...	...	...	296	4,322	1,352	19,502
All countries	...	...	...	195,623	3,143,691	155,510	2,357,266
<i>Decorticated rice, bleached.</i>							
British India	...	...	...	37,307	555,706	9,370	128,671
Siam	...	...	...	6,674	109,897	5,230	77,179
Others	...	...	...	146	3,713	117	3,113
All countries	...	...	...	44,127	669,316	14,717	208,963
<i>Barley.</i>							
Cyprus	...	...	...	3,858	28,661	769	5,884
Algeria	...	...	...	281	2,155	—	—
Roumania	...	...	...	1,591	12,144	—	—
Others (unspecified)	...	...	...	10,249	77,938	1,283	10,313
All countries	...	...	...	15,979	120,898	2,052	16,197

Note.—M.T.=metric ton.

Imports of maize flour, none of which came from the British Empire, dropped from M.T.7,761, worth £E.85,172 in 1926, to M.T.1,929, valued at £E.19,892, in 1927.

APPENDIX VI (A)

VALUE OF COTTON PIECE GOODS IMPORTED IN 1926 and 1927 DUTIABLE ON BASIS OF WEIGHT PER SQUARE METRE.

From.	Year.	Grey.	Bleached.	Printed.	Dyed in the yarn.	Dyed in the piece.	Total.
United Kingdom ...	1927	£E. 436,594	£E. 1,134,798	£E. 996,700	£E. 228,750	£E. 781,749	£E. 3,578,591
	1926	300,683	1,052,200	926,599	221,726	713,617	3,214,825
Belgium ...	1927	—	13,934	4,291	110,169	21,741	150,135
	1926	—	21,699	22,660	140,243	11,604	196,206
France ...	1927	909	2,186	82,386	11,723	21,869	119,073
	1926	1,069	5,289	88,492	10,445	18,996	124,291
Italy ...	1927	463	32,967	281,592	539,989	396,569	1,251,580
	1926	1,403	39,291	198,899	601,716	279,140	1,120,449
Japan ...	1927	451,088	360	14	327,221	—	778,683
	1926	383,106	421	99	51,015	—	434,641
Total, including other countries ...	1927	925,363	1,198,428	1,486,154	1,267,565	1,256,007	6,133,517
	1926	691,224	1,130,108	1,312,872	1,098,382	1,046,842	5,279,428

Note :—This table does not include cotton piece goods returned by weight and linear metres, the imports of which in 1926 and 1927 were as follows :—

	1926	1927
Cotton piece goods returned by weight (total imports) ...	£E. 93,102	£E. 109,888
Of which from the U. Kingdom ...	£E. 56,458	£E. 62,656
Cotton piece goods returned by linear metres (total imports) ...		£E. 612,799
Of which from the U. Kingdom ...		£E. 171,921
		£E. 186,122

APPENDIX VI (B)

QUANTITY OF COTTON PIECE GOODS IMPORTED IN 1926 AND 1927, DUTIABLE ON BASIS OF WEIGHT PER SQUARE METRE.

From	Year.	Grey.	Bleached.	Printed.	Dyed in the yarn.	Dyed in the piece.	Total.
United Kingdom	1927	Sq. metres. 34,501,531	Sq. metres. 50,367,570	Sq. metres. 28,458,839	Sq. metres. 6,515,118	Sq. metres. 20,243,547	Sq. metres. 140,086,605
	1926	19,867,442	43,667,331	24,589,013	5,790,739	17,465,881	111,380,406
Belgium	1927	—	396,986	109,798	2,890,352	430,016	3,827,152
	1926	—	624,285	474,582	3,479,696	244,486	4,823,049
France	1927	24,488	84,762	2,102,902	315,999	612,313	3,140,464
	1926	33,662	183,950	2,188,576	275,725	456,111	3,138,024
Italy	1927	23,800	994,226	7,843,286	14,684,191	9,564,255	33,109,758
	1926	63,156	1,167,049	5,163,000	15,569,194	6,291,462	28,253,861
Japan	1927	20,628,277	14,113	464	9,104,267	—	29,747,121
	1926	14,766,119	15,406	2,857	1,394,423	—	16,178,805
Total, including other countries	1927	56,948,821	52,385,696	41,358,635	34,964,446	31,924,434	217,582,032
	1926	34,936,816	46,033,012	34,178,615	28,426,279	25,016,188	168,590,910

Note :—This table does not include cotton piece goods returned by weight and linear metres, the imports of which in 1926 and 1927 were as follows :—

	1926	1927	
	Kilogs.	Kilogs.	L.M.
Cotton piece goods returned by weight (total imports)	589,506	797,328	14,357,889
Of which from the United Kingdom	393,830	501,270	3,573,963
			19,549,170
			4,272,043

PRINCIPAL IMPORTS OF IRON AND STEEL GOODS, BY COUNTRIES OF ORIGIN.

Item.	Year.	United Kingdom.	Belgium.	France.	Germany.	Total from all countries.
Angles and tees	1926	£E. 8,728	£E. 12,803	£E. —	£E. 430	£E. 22,123
	1927	3,424	14,457	—	417	18,753
Axles, wheels and springs	1926	54,097	9,599	5,801	22,153	107,151
	1927	22,374	12,556	4,809	23,655	64,622
Bars and billets	1926	8,842	237,459	8,283	11,738	266,656
	1927	6,271	197,685	7,487	22,823	235,054
Galvanized sheets	1926	20,384	31,180	832	3,315	57,220
	1927	12,247	26,039	729	5,218	45,843
Girders and joists	1926	6,132	62,683	12,624	2,000	83,439
	1927	5,778	63,678	35,374	4,430	109,260
Hoops and strips	1926	83,466	13,794	—	9,699	107,471
	1927	14,518	9,389	—	24,202	48,109
Pipes and fittings, wrought iron or steel	1926	20,082	19,191	13,824	46,267	115,593
	1927	18,547	5,568	12,866	35,590	79,390
Pipes and fittings, galvanized	1926	42,872	21,262	31	36,854	102,693
	1927	24,510	3,949	1,403	14,794	60,739
Pipes and fittings, cast iron...	1926	43,714	11,020	128,388	7,036	190,263
	1927	85,100	12,776	52,665	10,657	161,198
Rails and fittings (including sleepers)	1926	299,315	88,053	42,752	13,897	444,017
	1927	133,090	48,248	89,238	32,106	302,682
Rivets, bolts, nuts and washers	1926	18,302	21,952	9,004	11,748	63,880
	1927	11,236	9,944	4,518	2,504	30,016
Sheets and plates (not galvanized)	1926	36,524	59,198	8,188	3,282	107,433
	1927	9,067	51,030	3,731	5,682	70,264
Works, wholly or partly constructed	1926	86,114	19,525	17,869	7,740	149,601
	1927	43,784	31,719	8,400	25,823	141,244

APPENDIX VIII.

STATISTICS OF IMPORTS INTO EGYPT DURING 1927 OF VARIOUS OIL PRODUCTS, AND COUNTRIES OF ORIGIN.

Country.	Kerosene.		Benzine.		Mazout (Fuel).		Mineral lubricating oils and greases.		Solar oil.	
	M. Tons.	£E.	M. Tons.	£E.	M. Tons.	£E.	Kilogs.	£E.	Kilogs.	£E.
Delivered from Suez Refinery	3,551	14,563	21,908	244,791	54,207	168,056	—	—	5,657,033	23,624
Imported direct from—										
Roumania	119,506	489,859	24,517	243,551	—	—	—	—	—	—
M. Tons	8,147	2,004	153	78	—	—	2,009,416	17,170	—	—
Russia	131,243	538,092	—	—	—	—	—	—	—	—
Cases	—	—	—	—	—	—	—	—	—	—
U.S.A.	5,549	25,800	2,175	26,331	14	43	—	—	—	—
M. Tons	499	124	12,065	5,413	—	—	11,919,662	191,678	—	—
Cases	—	—	—	—	28,378	87,978	—	—	—	—
Persia	—	—	—	—	102	315	—	—	—	—
Dutch Possessions in Far East	—	—	—	—	—	—	3,462,229	55,699	—	—
United Kingdom	—	—	—	—	—	—	1,609	39	—	—
Straits Settlements	—	—	—	—	—	—	353,862	3,186	—	—
British Borneo	—	—	—	—	—	—	396,470	5,786	—	—
Belgium	—	—	—	—	—	—	384,400	6,154	—	—
France	—	—	—	—	—	—	724,716	10,865	—	—
Germany	—	—	—	—	—	—	41,699	773	10,573	54
Other countries	117	482	1,338	13,042	46,066	142,792	—	—	—	—
Cases	—	—	923	1,059	—	—	—	—	—	—

APPENDIX IX.

SUMMARY OF VALUE OF EXPORTS FROM EGYPT CLASSIFIED BY CATEGORIES.

Categories.					1926	1927
					£E.	£E.
1.	Animals and animal food products	...	...	...	324,741	328,151
2.	Hides, skins and leather goods	...	...	...	324,776	399,994
3.	Other animal products	...	...	...	56,428	75,090
4.	Cereals, flour and agricultural produce	...	...	...	4,077,332	5,592,723
5.	Colonial produce and general grocery	...	...	...	94,471	44,800
6.	Spirits, beverages and oils	...	...	...	756,025	853,600
7.	Paper and printed matter	...	...	...	73,658	82,566
8.	Wood and coal	...	...	...	19,776	19,223
9.	Stone, earthenware and glassware	...	...	...	11,458	32,489
10.	Dyestuffs, tanstuffs and colours	...	...	...	22,054	26,122
11.	Chemical and medicinal products and per- fumery	...	...	...	184,358	301,797
12.	Yarns and textiles (chiefly raw cotton)	...	...	...	34,670,388	39,243,449
13.	Metals and metalware	...	...	...	742,630	920,531
14.	Miscellaneous	...	...	...	46,190	33,135
Total of merchandise exported					41,404,285	47,953,667
15.	Cigarettes	...	...	...	355,106	386,836
Total of exports					41,759,391	48,340,503

APPENDIX X.

VALUE OF EXPORTS TO PRINCIPAL COUNTRIES.

Country.					1926	1927
					£E.	£E.
United Kingdom	...	...	...	...	18,921,153	19,138,089
Australia and New Zealand	...	...	...	...	6,003	42,721
British India (a)	...	...	...	...	513,697	636,720
Other British Possessions in the Far East (b)	...	...	...	...	58,262	85,123
Mesopotamia (c)	...	...	...	...	47,419	14,039
Palestine (c)	...	...	...	...	390,596	433,334
British Mediterranean Possessions (d)	...	...	...	...	45,552	62,857
British Possessions in Africa	...	...	...	...	21,093	32,240
Canada	...	...	...	...	1,563	7,622
British Empire total	...	...	...	...	20,005,338	20,452,745
Austria	...	...	...	...	156,411	284,644
Belgium	...	...	...	...	210,757	243,532
Czechoslovakia	...	...	...	...	616,153	1,052,994
France	...	...	...	...	4,950,774	4,903,363
Germany	...	...	...	...	1,892,811	3,139,386
Greece...	...	...	...	...	198,725	389,828
Holland	...	...	...	...	303,624	440,825
Italy	...	...	...	...	2,381,429	2,702,400
Japan	...	...	...	...	1,623,216	1,709,217
Russia...	...	...	...	...	171,130	1,742,442
Spain	...	...	...	...	909,069	985,511
Switzerland	...	...	...	...	1,443,906	1,893,349
Syria	...	...	...	...	271,280	325,156
Turkey	...	...	...	...	114,342	125,489
U.S.A....	...	...	...	...	5,584,254	6,799,598
Total, including other countries	...	...	...	...	41,759,391	48,340,503

(a) Including Aden.

(b) Including Ceylon, Straits Settlements, Hongkong and British Borneo.

(c) Mandated territories. (d) Including Malta, Cyprus and Gibraltar.

APPENDIX XI (A).

EXPORTS OF RAW COTTON IN 1926 AND 1927.

(Quantity in Cantars).

Destination.	Year.	Sakel.	Ashmouni.	Others.	Total.
United Kingdom ...	1926	1,648,702	1,197,103	218,311	3,064,116
	1927	1,488,970	1,148,741	210,367	2,848,078
British India ...	1926	1,458	793	1,149	3,400
	1927	6,951	78	7,262	14,291
Austria ...	1926	3,826	21,991	2,753	28,570
	1927	6,145	42,062	3,975	52,182
Belgium ...	1926	6,730	15,229	4,255	26,214
	1927	11,148	17,169	2,388	30,705
China ...	1926	2,131	1,352	—	3,483
	1927	753	—	1,291	2,044
Czechoslovakia ...	1926	28,021	91,322	3,121	122,464
	1927	34,560	158,457	3,717	196,734
France ...	1926	479,943	414,687	25,274	919,904
	1927	399,440	370,760	52,252	822,452
Germany ...	1926	67,551	180,423	61,180	309,154
	1927	79,589	300,539	120,180	500,308
Greece ...	1926	1,850	2,626	7,888	12,364
	1927	5,214	4,658	6,297	16,169
Holland ...	1926	7,327	12,934	276	20,537
	1927	9,261	12,830	582	22,673
Hungary ...	1926	1,486	2,676	—	4,162
	1927	1,031	2,201	—	3,232
Italy ...	1926	162,556	235,835	9,245	407,636
	1927	159,366	257,744	21,171	438,281
Japan ...	1926	160,059	129,141	12,677	301,877
	1927	175,415	126,061	14,360	315,836
Poland ...	1926	24,936	34,884	936	60,756
	1927	22,175	26,375	4,125	52,675
Portugal ...	1926	2,565	2,609	230	5,404
	1927	2,690	2,373	—	5,063
Russia ...	1926	15,136	19,359	—	34,495
	1927	118,225	173,690	5,198	297,113
Spain ...	1926	52,210	110,453	7,973	170,636
	1927	48,259	106,024	16,006	170,289
Sweden ...	1926	199	4,671	111	4,981
	1927	542	5,817	356	6,715
Switzerland ...	1926	116,977	153,900	19,152	290,029
	1927	113,105	186,707	59,360	359,172
U.S.A. ...	1926	329,577	697,597	17,098	1,044,272
	1927	336,740	881,191	8,361	1,226,292
Other countries ...	1926	89	381	444	914
	1927	322	1,580	995	2,897
Totals ...	1926	3,113,329	3,329,966	392,073	6,835,368
	1927	3,019,901	3,825,057	538,243	7,383,201

Notes.—One Egyptian cantar=Kilos 44.928.

Quantities of 1927 represent net weight (97 per cent. of gross weight), while those of 1926 represent gross weight.

APPENDIX XI (B).

EXPORTS OF RAW COTTON IN 1926 AND 1927.

(Value in £E.).

Destination.	Year.	Sakel.	Ashmouni.	Others.	Total.
United Kingdom ...	1926	8,323,649	5,958,814	1,091,673	15,374,136
	1927	7,744,620	5,972,487	1,091,541	14,808,648
British India ...	1926	7,082	4,061	6,027	17,170
	1927	34,879	331	32,526	67,736
Austria ...	1926	19,694	107,357	14,536	141,587
	1927	30,476	223,180	18,980	272,636
Belgium ...	1926	35,300	77,909	21,082	134,291
	1927	56,209	82,425	12,186	150,820
China ...	1926	10,942	6,777	—	17,719
	1927	3,251	—	8,547	11,798
Czechoslovakia ...	1926	139,529	454,691	16,883	611,103
	1927	186,888	848,165	17,393	1,052,446
France ...	1926	2,393,475	2,114,796	127,717	4,635,988
	1927	2,188,407	1,970,926	283,477	4,442,810
Germany ...	1926	337,961	883,129	305,652	1,526,742
	1927	422,747	1,579,125	626,622	2,628,494
Greece ...	1926	9,093	13,560	39,883	62,536
	1927	27,488	23,380	32,575	83,443
Holland ...	1926	37,010	63,594	1,444	102,048
	1927	50,462	69,989	2,609	123,060
Hungary ...	1926	7,876	13,332	—	21,208
	1927	5,540	10,861	—	16,401
Italy ...	1926	829,125	1,188,350	48,031	2,065,506
	1927	852,115	1,363,941	115,473	2,331,529
Japan ...	1926	815,490	661,485	68,781	1,545,756
	1927	881,803	637,018	86,426	1,605,247
Poland ...	1926	124,223	174,820	4,722	303,765
	1927	122,881	150,342	23,044	296,267
Portugal ...	1926	13,270	12,652	1,227	27,149
	1927	13,235	10,260	—	23,495
Russia ...	1926	72,516	98,586	—	171,102
	1927	712,455	998,305	31,639	1,742,399
Spain ...	1926	263,200	550,133	41,639	854,972
	1927	256,884	570,324	85,948	913,156
Sweden ...	1926	1,036	23,868	581	25,485
	1927	3,082	32,290	1,484	36,856
Switzerland ...	1926	585,232	749,825	91,589	1,426,646
	1927	583,080	962,932	316,642	1,862,654
U.S.A. ...	1926	1,705,469	3,511,008	84,833	5,301,310
	1927	1,755,052	4,717,333	40,685	6,513,070
Other countries ...	1926	493	2,001	2,178	4,672
	1927	1,696	9,240	5,291	16,227
Totals ...	1926	15,731,665	16,670,748	1,968,478	34,370,891
	1927	15,933,250	20,232,854	2,833,088	38,999,192
Mean price per cantar ...	1926	\$25·26	\$25	\$25·10	\$25·15
	1927	\$26·38	\$26·45	\$26·32	\$26·41

APPENDIX XII.

SHIPPING.

Total arrivals at and departures from all Egyptian ports during the year 1927, and Cargo and Passengers embarked and disembarked.

Nationality of vessels.	Arrivals.				Departures.			
	No. of vessels.	Net registered tonnage.	Tons of cargo landed.	Passengers landed.	No. of vessels.	Net registered tonnage.	Tons of cargo shipped.	Passengers embarked.
British	3,741	14,524,752	2,515,632	46,633	3,736	14,502,559	1,013,511	43,600
Egyptian	308	169,169	94,866	606	305	163,608	41,694	746
American	181	850,791	93,689	1,756	182	857,930	41,638	1,753
Belgian	43	90,761	144,331	34	44	92,739	34,343	2
Danish	44	122,166	36,375	722	44	122,163	14,124	42
Dutch	680	2,932,254	229,559	2,231	680	2,944,278	19,647	2,006
French	623	2,878,562	276,105	62,358	621	2,877,576	70,504	64,627
German	592	2,218,036	302,875	3,264	592	2,222,151	123,000	3,764
Greek	390	496,715	585,767	11,725	393	502,591	140,228	10,504
Italian	1,205	3,595,734	617,543	67,760	1,203	3,592,964	335,041	62,966
Japanese	162	861,815	29,509	1,577	159	846,815	10,790	1,010
Norwegian	92	246,211	101,253	154	93	240,005	17,416	102
Roumanian	48	65,480	34,798	2,991	48	65,980	5,046	3,224
Swedish	71	204,041	48,747	500	70	202,680	37,812	487
Others	213	413,152	326,829	5,313	212	407,005	46,794	5,334
Totals...	8,393	29,669,639	5,437,878	297,624	8,382	29,641,044	1,951,588	200,167

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